

1 **Transportation Earmark Amendments**
 2026 GENERAL SESSION
 STATE OF UTAH
Chief Sponsor: Jennifer Dailey-Provost
 Senate Sponsor:

3 **LONG TITLE**

4 **General Description:**

5 This bill reduces a sales and use tax earmark that directs revenue into the Transportation
 6 Investment Fund of 2005.

7 **Highlighted Provisions:**

8 This bill:

9 ▶ reduces a sales and use tax earmark that directs revenue into the Transportation
 10 Investment Fund of 2005 to ensure that the revenue remains in the General Fund.

11 **Money Appropriated in this Bill:**

12 None

13 **Other Special Clauses:**

14 This bill provides a special effective date.

15 **Utah Code Sections Affected:**

16 AMENDS:

17 **59-12-103 (Effective 05/06/26) (Superseded 07/01/26)**, as last amended by Laws of Utah
 18 2025, Chapter 490

19 **59-12-103 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 285

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

22 Section 1. Section **59-12-103** is amended to read:

23 **59-12-103 (Effective 05/06/26) (Superseded 07/01/26). Sales and use tax base --**
 24 **Rates -- Effective dates -- Use of sales and use tax revenue.**

25 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales
 26 price for amounts paid or charged for the following transactions:

27 (a) retail sales of tangible personal property made within the state;

28 (b) amounts paid for:

29 (i) telecommunications service, other than mobile telecommunications service, that
 30 originates and terminates within the boundaries of this state;

- 31 (ii) mobile telecommunications service that originates and terminates within the
32 boundaries of one state only to the extent permitted by the Mobile
33 Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
34 (iii) an ancillary service associated with a:
35 (A) telecommunications service described in Subsection (1)(b)(i); or
36 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
37 (c) sales of the following for commercial use:
38 (i) gas;
39 (ii) electricity;
40 (iii) heat;
41 (iv) coal;
42 (v) fuel oil; or
43 (vi) other fuels;
44 (d) sales of the following for residential use:
45 (i) gas;
46 (ii) electricity;
47 (iii) heat;
48 (iv) coal;
49 (v) fuel oil; or
50 (vi) other fuels;
51 (e) sales of prepared food;
52 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
53 user fees for theaters, movies, operas, museums, planetariums, shows of any type or
54 nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses,
55 menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling
56 matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling
57 lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts,
58 ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,
59 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or
60 any other amusement, entertainment, recreation, exhibition, cultural, or athletic
61 activity;
62 (g) amounts paid or charged for services for repairs or renovations of tangible personal
63 property, unless Section 59-12-104 provides for an exemption from sales and use tax
64 for:

- 65 (i) the tangible personal property; and
- 66 (ii) parts used in the repairs or renovations of the tangible personal property described
- 67 in Subsection (1)(g)(i), regardless of whether:
- 68 (A) any parts are actually used in the repairs or renovations of that tangible
- 69 personal property; or
- 70 (B) the particular parts used in the repairs or renovations of that tangible personal
- 71 property are exempt from a tax under this chapter;
- 72 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted
- 73 cleaning or washing of tangible personal property;
- 74 (i) amounts paid or charged for short-term rentals of tourist home, hotel, motel, or trailer
- 75 court accommodations and services;
- 76 (j) amounts paid or charged for laundry or dry cleaning services;
- 77 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 78 this state the tangible personal property is:
- 79 (i) stored;
- 80 (ii) used; or
- 81 (iii) otherwise consumed;
- 82 (l) amounts paid or charged for tangible personal property if within this state the tangible
- 83 personal property is:
- 84 (i) stored;
- 85 (ii) used; or
- 86 (iii) consumed;
- 87 (m) amounts paid or charged for a sale:
- 88 (i)(A) of a product transferred electronically; or
- 89 (B) of a repair or renovation of a product transferred electronically; and
- 90 (ii) regardless of whether the sale provides:
- 91 (A) a right of permanent use of the product; or
- 92 (B) a right to use the product that is less than a permanent use, including a right:
- 93 (I) for a definite or specified length of time; and
- 94 (II) that terminates upon the occurrence of a condition; and
- 95 (n) sales of leased tangible personal property from the lessor to the lessee made in the
- 96 state.
- 97 (2)(a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are
- 98 imposed on a transaction described in Subsection (1) equal to the sum of:

- 99 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
100 (A) 4.70% plus the rate specified in Subsection (11)(a); and
101 (B)(I) the tax rate the state imposes in accordance with Part 18, Additional
102 State Sales and Use Tax Act, if the location of the transaction as determined
103 under Sections 59-12-211 through 59-12-215 is in a county in which the
104 state imposes the tax under Part 18, Additional State Sales and Use Tax Act;
105 and
106 (II) the tax rate the state imposes in accordance with Part 20, Supplemental
107 State Sales and Use Tax Act, if the location of the transaction as determined
108 under Sections 59-12-211 through 59-12-215 is in a city, town, or the
109 unincorporated area of a county in which the state imposes the tax under
110 Part 20, Supplemental State Sales and Use Tax Act; and
111 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
112 transaction under this chapter other than this part.
- 113 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state
114 tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal
115 to the sum of:
116 (i) a state tax imposed on the transaction at a tax rate of 2%; and
117 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
118 transaction under this chapter other than this part.
- 119 (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed
120 on amounts paid or charged for food and food ingredients equal to the sum of:
121 (i) a state tax imposed on the amounts paid or charged for food and food ingredients
122 at a tax rate of 1.75%; and
123 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
124 amounts paid or charged for food and food ingredients under this chapter other
125 than this part.
- 126 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid
127 or charged for fuel to a common carrier that is a railroad for use in a locomotive
128 engine at a rate of 4.85%.
- 129 (e)(i)(A) If a shared vehicle owner certifies to the commission, on a form
130 prescribed by the commission, that the shared vehicle is an individual-owned
131 shared vehicle, a tax imposed under Subsection (2)(a)(i)(A) does not apply to
132 car sharing, a car-sharing program, a shared vehicle driver, or a shared vehicle

- 133 owner.
- 134 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is
135 required once during the time that the shared vehicle owner owns the shared
136 vehicle.
- 137 (C) The commission shall verify that a shared vehicle is an individual-owned
138 shared vehicle by verifying that the applicable Utah taxes imposed under this
139 chapter were paid on the purchase of the shared vehicle.
- 140 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified
141 individual-owned shared vehicle shared through a car-sharing program even if
142 non-certified shared vehicles are also available to be shared through the same
143 car-sharing program.
- 144 (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.
- 145 (iii)(A) A car-sharing program may rely in good faith on a shared vehicle owner's
146 representation that the shared vehicle is an individual-owned shared vehicle
147 certified with the commission as described in Subsection (2)(e)(i).
- 148 (B) If a car-sharing program relies in good faith on a shared vehicle owner's
149 representation that the shared vehicle is an individual-owned shared vehicle
150 certified with the commission as described in Subsection (2)(e)(i), the
151 car-sharing program is not liable for any tax, penalty, fee, or other sanction
152 imposed on the shared vehicle owner.
- 153 (iv) If all shared vehicles shared through a car-sharing program are certified as
154 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has
155 no obligation to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax
156 period.
- 157 (v) A car-sharing program is not required to list or otherwise identify an
158 individual-owned shared vehicle on a return or an attachment to a return.
- 159 (vi) A car-sharing program shall:
- 160 (A) retain tax information for each car-sharing program transaction; and
161 (B) provide the information described in Subsection (2)(e)(vi)(A) to the
162 commission at the commission's request.
- 163 (f)(i) For a bundled transaction that is attributable to food and food ingredients and
164 tangible personal property other than food and food ingredients, a state tax and a
165 local tax is imposed on the entire bundled transaction equal to the sum of:
- 166 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

- 167 (I) the tax rate described in Subsection (2)(a)(i)(A); and
 168 (II)(Aa) the tax rate the state imposes in accordance with Part 18,
 169 Additional State Sales and Use Tax Act, if the location of the transaction
 170 as determined under Sections 59-12-211 through 59-12-215 is in a
 171 county in which the state imposes the tax under Part 18, Additional State
 172 Sales and Use Tax Act; and
 173 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental
 174 State Sales and Use Tax Act, if the location of the transaction as
 175 determined under Sections 59-12-211 through 59-12-215 is in a city,
 176 town, or the unincorporated area of a county in which the state imposes
 177 the tax under Part 20, Supplemental State Sales and Use Tax Act; and
 178 (B) a local tax imposed on the entire bundled transaction at the sum of the tax
 179 rates described in Subsection (2)(a)(ii).
- 180 (ii) If an optional computer software maintenance contract is a bundled transaction
 181 that consists of taxable and nontaxable products that are not separately itemized
 182 on an invoice or similar billing document, the purchase of the optional computer
 183 software maintenance contract is 40% taxable under this chapter and 60%
 184 nontaxable under this chapter.
- 185 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled
 186 transaction described in Subsection (2)(f)(i) or (ii):
- 187 (A) if the sales price of the bundled transaction is attributable to tangible personal
 188 property, a product, or a service that is subject to taxation under this chapter
 189 and tangible personal property, a product, or service that is not subject to
 190 taxation under this chapter, the entire bundled transaction is subject to taxation
 191 under this chapter unless:
- 192 (I) the seller is able to identify by reasonable and verifiable standards the
 193 tangible personal property, product, or service that is not subject to taxation
 194 under this chapter from the books and records the seller keeps in the seller's
 195 regular course of business; or
 196 (II) state or federal law provides otherwise; or
- 197 (B) if the sales price of a bundled transaction is attributable to two or more items
 198 of tangible personal property, products, or services that are subject to taxation
 199 under this chapter at different rates, the entire bundled transaction is subject to
 200 taxation under this chapter at the higher tax rate unless:

- 201 (I) the seller is able to identify by reasonable and verifiable standards the
202 tangible personal property, product, or service that is subject to taxation
203 under this chapter at the lower tax rate from the books and records the seller
204 keeps in the seller's regular course of business; or
205 (II) state or federal law provides otherwise.
- 206 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the
207 seller's regular course of business includes books and records the seller keeps in
208 the regular course of business for nontax purposes.
- 209 (g)(i) Except as otherwise provided in this chapter and subject to Subsections
210 (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible
211 personal property, a product, or a service that is subject to taxation under this
212 chapter, and the sale, lease, or rental of tangible personal property, other property,
213 a product, or a service that is not subject to taxation under this chapter, the entire
214 transaction is subject to taxation under this chapter unless the seller, at the time of
215 the transaction:
- 216 (A) separately states the portion of the transaction that is not subject to taxation
217 under this chapter on an invoice, bill of sale, or similar document provided to
218 the purchaser; or
- 219 (B) is able to identify by reasonable and verifiable standards, from the books and
220 records the seller keeps in the seller's regular course of business, the portion of
221 the transaction that is not subject to taxation under this chapter.
- 222 (ii) A purchaser and a seller may correct the taxability of a transaction if:
- 223 (A) after the transaction occurs, the purchaser and the seller discover that the
224 portion of the transaction that is not subject to taxation under this chapter was
225 not separately stated on an invoice, bill of sale, or similar document provided
226 to the purchaser because of an error or ignorance of the law; and
- 227 (B) the seller is able to identify by reasonable and verifiable standards, from the
228 books and records the seller keeps in the seller's regular course of business, the
229 portion of the transaction that is not subject to taxation under this chapter.
- 230 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller
231 keeps in the seller's regular course of business includes books and records the
232 seller keeps in the regular course of business for nontax purposes.
- 233 (h)(i) If the sales price of a transaction is attributable to two or more items of tangible
234 personal property, products, or services that are subject to taxation under this

- 235 chapter at different rates, the entire purchase is subject to taxation under this
236 chapter at the higher tax rate unless the seller, at the time of the transaction:
- 237 (A) separately states the items subject to taxation under this chapter at each of the
238 different rates on an invoice, bill of sale, or similar document provided to the
239 purchaser; or
 - 240 (B) is able to identify by reasonable and verifiable standards the tangible personal
241 property, product, or service that is subject to taxation under this chapter at the
242 lower tax rate from the books and records the seller keeps in the seller's regular
243 course of business.
- 244 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
245 seller's regular course of business includes books and records the seller keeps in
246 the regular course of business for nontax purposes.
- 247 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate
248 imposed under the following shall take effect on the first day of a calendar quarter:
- 249 (i) Subsection (2)(a)(i)(A);
 - 250 (ii) Subsection (2)(b)(i);
 - 251 (iii) Subsection (2)(c)(i); or
 - 252 (iv) Subsection (2)(f)(i)(A)(I).
- 253 (j)(i) A tax rate increase takes effect on the first day of the first billing period that
254 begins on or after the effective date of the tax rate increase if the billing period for
255 the transaction begins before the effective date of a tax rate increase imposed
256 under:
- 257 (A) Subsection (2)(a)(i)(A);
 - 258 (B) Subsection (2)(b)(i);
 - 259 (C) Subsection (2)(c)(i); or
 - 260 (D) Subsection (2)(f)(i)(A)(I).
- 261 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
262 statement for the billing period is rendered on or after the effective date of the
263 repeal of the tax or the tax rate decrease imposed under:
- 264 (A) Subsection (2)(a)(i)(A);
 - 265 (B) Subsection (2)(b)(i);
 - 266 (C) Subsection (2)(c)(i); or
 - 267 (D) Subsection (2)(f)(i)(A)(I).
- 268 (k)(i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale

- 269 is computed on the basis of sales and use tax rates published in the catalogue, a
 270 tax rate repeal or change in a tax rate takes effect:
- 271 (A) on the first day of a calendar quarter; and
 - 272 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate
 273 change.
- 274 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
- 275 (A) Subsection (2)(a)(i)(A);
 - 276 (B) Subsection (2)(b)(i);
 - 277 (C) Subsection (2)(c)(i); or
 - 278 (D) Subsection (2)(f)(i)(A)(I).
- 279 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
 280 the commission may by rule define the term "catalogue sale."
- 281 (l)(i) For a location described in Subsection (2)(l)(ii), the commission shall determine
 282 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel
 283 based on the predominant use of the gas, electricity, heat, coal, fuel oil, or other
 284 fuel at the location.
- 285 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
 286 or other fuel is furnished through a single meter for two or more of the following
 287 uses:
- 288 (A) a commercial use;
 - 289 (B) an industrial use; or
 - 290 (C) a residential use.
- 291 (3)(a) The following state taxes shall be deposited into the General Fund:
- 292 (i) the tax imposed by Subsection (2)(a)(i)(A);
 - 293 (ii) the tax imposed by Subsection (2)(b)(i);
 - 294 (iii) the tax imposed by Subsection (2)(c)(i); and
 - 295 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 296 (b) The following local taxes shall be distributed to a county, city, or town as provided
 297 in this chapter:
- 298 (i) the tax imposed by Subsection (2)(a)(ii);
 - 299 (ii) the tax imposed by Subsection (2)(b)(ii);
 - 300 (iii) the tax imposed by Subsection (2)(c)(ii); and
 - 301 (iv) the tax imposed by Subsection (2)(f)(i)(B).
- 302 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General Fund.

- 303 (4)(a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
304 2003, the lesser of the following amounts shall be expended as provided in
305 Subsections (4)(b) through (g):
- 306 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
 - 307 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
 - 308 (B) for the fiscal year; or
 - 309 (ii) \$17,500,000.
- 310 (b)(i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
311 described in Subsection (4)(a) shall be transferred each year as designated sales
312 and use tax revenue to the Division of Wildlife Resources to:
- 313 (A) implement the measures described in Subsections 23A-3-214(3)(a) through (d)
314 to protect sensitive plant and animal species; or
 - 315 (B) award grants, up to the amount authorized by the Legislature in an
316 appropriations act, to political subdivisions of the state to implement the
317 measures described in Subsections 23A-3-214(3)(a) through (d) to protect
318 sensitive plant and animal species.
- 319 (ii) Money transferred to the Division of Wildlife Resources under Subsection
320 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or
321 any other person to list or attempt to have listed a species as threatened or
322 endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et
323 seq.
- 324 (iii) At the end of each fiscal year:
- 325 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to
326 the Water Resources Conservation and Development Fund created in Section
327 73-10-24;
 - 328 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
329 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
 - 330 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
331 Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- 332 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
333 Subsection (4)(a) shall be transferred each year as designated sales and use tax
334 revenue to the Division of Conservation created in Section 4-46-401 to implement
335 water related programs.
- 336 (d)(i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount

- 337 described in Subsection (4)(a) shall be transferred each year as designated sales
338 and use tax revenue to the Division of Water Rights to cover the costs incurred in
339 hiring legal and technical staff for the adjudication of water rights.
- 340 (ii) At the end of each fiscal year:
- 341 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to
342 the Water Resources Conservation and Development Fund created in Section
343 73-10-24;
- 344 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
345 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
- 346 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
347 Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- 348 (e)(i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount
349 described in Subsection (4)(a) shall be deposited into the Water Resources
350 Conservation and Development Fund created in Section 73-10-24 for use by the
351 Division of Water Resources.
- 352 (ii) In addition to the uses allowed of the Water Resources Conservation and
353 Development Fund under Section 73-10-24, the Water Resources Conservation
354 and Development Fund may also be used to:
- 355 (A) conduct hydrologic and geotechnical investigations by the Division of Water
356 Resources in a cooperative effort with other state, federal, or local entities, for
357 the purpose of quantifying surface and ground water resources and describing
358 the hydrologic systems of an area in sufficient detail so as to enable local and
359 state resource managers to plan for and accommodate growth in water use
360 without jeopardizing the resource;
- 361 (B) fund state required dam safety improvements; and
- 362 (C) protect the state's interest in interstate water compact allocations, including the
363 hiring of technical and legal staff.
- 364 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in
365 Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program
366 Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund
367 wastewater projects.
- 368 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
369 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program
370 Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:

- 371 (i) provide for the installation and repair of collection, treatment, storage, and
372 distribution facilities for any public water system, as defined in Section 19-4-102;
- 373 (ii) develop underground sources of water, including springs and wells; and
374 (iii) develop surface water sources.
- 375 (5)(a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
376 2006, the difference between the following amounts shall be expended as provided in
377 this Subsection (5), if that difference is greater than \$1:
- 378 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for
379 the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1);
380 and
381 (ii) \$17,500,000.
- 382 (b)(i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:
383 (A) transferred each fiscal year to the Department of Natural Resources as
384 designated sales and use tax revenue; and
385 (B) expended by the Department of Natural Resources for watershed rehabilitation
386 or restoration.
- 387 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
388 tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources
389 Conservation and Development Fund created in Section 73-10-24.
- 390 (c)(i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
391 remaining difference described in Subsection (5)(a) shall be:
392 (A) transferred each fiscal year to the Division of Water Resources as designated
393 sales and use tax revenue; and
394 (B) expended by the Division of Water Resources for cloud-seeding projects
395 authorized by Title 73, Chapter 15, Modification of Weather.
- 396 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
397 tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources
398 Conservation and Development Fund created in Section 73-10-24.
- 399 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
400 remaining difference described in Subsection (5)(a) shall be deposited into the Water
401 Resources Conservation and Development Fund created in Section 73-10-24 for use
402 by the Division of Water Resources for:
403 (i) preconstruction costs:
404 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73,

- 405 Chapter 26, Bear River Development Act; and
- 406 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
- 407 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
- 408 (ii) the cost of employing a civil engineer to oversee any project authorized by Title
- 409 73, Chapter 26, Bear River Development Act;
- 410 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline
- 411 project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development
- 412 Act; and
- 413 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
- 414 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i)
- 415 through (iii).
- 416 (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the
- 417 remaining difference described in Subsection (5)(a) shall be deposited each year into
- 418 the Water Rights Restricted Account created by Section 73-2-1.6.
- 419 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), each
- 420 fiscal year, the commission shall deposit into the Water Infrastructure Restricted
- 421 Account created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax
- 422 rate on the transactions described in Subsection (1) for the fiscal year.
- 423 (7)(a) Notwithstanding Subsection (3)(a) and subject to Subsections (7)(b), (c), and (d),
- 424 for a fiscal year beginning on or after July 1, 2023, the commission shall deposit into
- 425 the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of
- 426 the taxes listed under Subsection (3)(a) equal to [~~24%~~] 17% of the revenue collected
- 427 from the following sales and use taxes:
- 428 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 429 (ii) the tax imposed by Subsection (2)(b)(i);
- 430 (iii) the tax imposed by Subsection (2)(c)(i); and
- 431 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 432 (b)(i) For a fiscal year beginning on or after July 1, 2024, the commission shall
- 433 annually reduce the deposit under Subsection (7)(a) into the Transportation
- 434 Investment Fund of 2005 by an amount equal to .44% of the revenue collected
- 435 from the following sales and use taxes:
- 436 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 437 (B) the tax imposed by Subsection (2)(b)(i);
- 438 (C) the tax imposed by Subsection (2)(c)(i); and

- 439 (D) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 440 (ii) The commission shall annually deposit the amount described in Subsection
441 (7)(b)(i) into the Cottonwood Canyons Transportation Investment Fund created in
442 Section 72-2-124.
- 443 (c)(i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,
444 2023, the commission shall annually reduce the deposit into the Transportation
445 Investment Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is
446 equal to 5% of:
- 447 (A) the amount of revenue generated in the current fiscal year by the portion of
448 taxes listed under Subsection (3)(a) that equals 20.68% of the revenue
449 collected from taxes described in Subsections (7)(a)(i) through (iv);
- 450 (B) the amount of revenue generated in the current fiscal year by registration fees
451 designated under Section 41-1a-1201 to be deposited into the Transportation
452 Investment Fund of 2005; and
- 453 (C) revenue transferred by the Division of Finance to the Transportation
454 Investment Fund of 2005 in accordance with Section 72-2-106 in the current
455 fiscal year.
- 456 (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a
457 given fiscal year.
- 458 (iii) The commission shall annually deposit the amount described in Subsection
459 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection
460 72-2-124(11).
- 461 (d)(i) For a fiscal year beginning on or after July 1, 2024, the commission shall
462 annually reduce the deposit into the Transportation Investment Fund of 2005
463 under this Subsection (7) by an amount that is equal to 1% of the revenue
464 collected from the following sales and use taxes:
- 465 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 466 (B) the tax imposed by Subsection (2)(b)(i);
- 467 (C) the tax imposed by Subsection (2)(c)(i); and
- 468 (D) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 469 (ii) The commission shall annually deposit the amount described in Subsection
470 (7)(d)(i) into the Commuter Rail Subaccount created in Section 72-2-124.
- 471 (8)(a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
472 Subsection (7), and subject to Subsection (8)(b), for a fiscal year beginning on or

- 473 after July 1, 2018, the commission shall annually deposit into the Transportation
474 Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed
475 under Subsection (3)(a) in an amount equal to 3.68% of the revenue collected from
476 the following taxes:
- 477 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
 - 478 (ii) the tax imposed by Subsection (2)(b)(i);
 - 479 (iii) the tax imposed by Subsection (2)(c)(i); and
 - 480 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 481 (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually
482 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection
483 (8)(a) by an amount that is equal to 35% of the amount of revenue generated in the
484 current fiscal year by the portion of the tax imposed on motor and special fuel that is
485 sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.
- 486 (c) The commission shall annually deposit the amount described in Subsection (8)(b)
487 into the Transit Transportation Investment Fund created in Section 72-2-124.
- 488 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
489 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies
490 Fund created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.
- 491 (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal
492 year during which the commission receives notice under Section 63N-2-510 that
493 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the
494 commission shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the
495 revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact
496 Mitigation Fund, created in Section 63N-2-512.
- 497 (11)(a) The rate specified in this subsection is 0.15%.
- 498 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning
499 on or after July 1, 2019, annually transfer the amount of revenue collected from the
500 rate described in Subsection (11)(a) on the transactions that are subject to the sales
501 and use tax under Subsection (2)(a)(i)(A) into the Medicaid ACA Fund created in
502 Section 26B-1-315.
- 503 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
504 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated
505 credit solely for use of the Search and Rescue Financial Assistance Program created in,
506 and expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

- 507 (13)(a) Notwithstanding Subsection (3)(a) and except as provided in Subsections (17),
508 (18), and (19), and as described in Section 63N-3-610, beginning the first day of a
509 calendar quarter one year after the sales and use tax boundary for a housing and
510 transit reinvestment zone is established under Title 63N, Chapter 3, Part 6, Housing
511 and Transit Reinvestment Zone Act, the commission, at least annually, shall transfer
512 an amount equal to 15% of the sales and use tax increment from the sales and use tax
513 imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within
514 an established sales and use tax boundary, as defined in Section 63N-3-602, into the
515 Transit Transportation Investment Fund created in Section 72-2-124.
- 516 (b) Beginning no sooner than January 1, 2026, notwithstanding Subsection (3)(a), and
517 except as provided in Subsections (17), (18), and (19), and as described in Section
518 63N-3-610.1, beginning the first day of a calendar quarter after the year set in the
519 proposal and after the sales and use tax boundary for a convention center
520 reinvestment zone is established in a capital city under Title 63N, Chapter 3, Part 6,
521 Housing and Transit Reinvestment Zone Act, the commission, at least annually, shall
522 transfer an amount equal to 50% of the sales and use tax increment as defined in
523 Section 63N-3-602 from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a
524 4.7% rate, on transactions occurring within an established sales and use tax boundary,
525 as defined in Section 63N-3-602, to a convention center public infrastructure district
526 created in accordance with Section 17D-4-202.1 and specified in the convention
527 center reinvestment zone proposal submitted pursuant to Title 63N, Chapter 3, Part 6,
528 Housing and Transit Reinvestment Zone Act.
- 529 (14)(a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
530 2025, the commission shall, in accordance with Subsection (14)(b), transfer a portion
531 of the taxes listed under Subsection (3)(a) equal to 1% of the revenue collected from
532 the following sales and use taxes:
- 533 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
 - 534 (ii) the tax imposed by Subsection (2)(b)(i);
 - 535 (iii) the tax imposed by Subsection (2)(c)(i); and
 - 536 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 537 (b) The commission shall transfer the portion of the taxes described in Subsection (14)(a)
538 as follows:
- 539 (i) into the Outdoor Adventure Infrastructure Restricted Account created in Section
540 51-9-902, an amount equal to the amount that was deposited into the Outdoor

- 541 Adventure Infrastructure Restricted Account in fiscal year 2025; and
- 542 (ii) for any amount exceeding the amount described in Subsection (14)(b)(i), 50%
- 543 into the Outdoor Adventure Infrastructure Restricted Account and 50% to the
- 544 Utah Fairpark Area Investment and Restoration District created in Section
- 545 11-70-201.
- 546 (15) Notwithstanding Subsection (3)(a) and except as provided in Subsections (17), (18),
- 547 and (19), beginning October 1, 2024 the commission shall transfer to the Utah Fairpark
- 548 Area Investment and Restoration District, created in Section 11-70-201, the revenue
- 549 from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on
- 550 transactions occurring within the district sales tax area, as defined in Section 11-70-101.
- 551 (16)(a) As used in this Subsection (16):
- 552 (i) "Additional land" means point of the mountain state land described in Subsection
- 553 11-59-102(6)(b) that the point of the mountain authority acquires after the point of
- 554 the mountain authority provides the commission a map under Subsection (16)(c).
- 555 (ii) "Point of the mountain authority" means the Point of the Mountain State Land
- 556 Authority, created in Section 11-59-201.
- 557 (iii) "Point of the mountain state land" means the same as that term is defined in
- 558 Section 11-59-102.
- 559 (b) Notwithstanding Subsection (3)(a) and except as provided in Subsection (17), (18),
- 560 and (19), the commission shall distribute to the point of the mountain authority 50%
- 561 of the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a
- 562 4.7% rate, on transactions occurring on the point of the mountain state land.
- 563 (c) The distribution under Subsection (16)(b) shall begin the next calendar quarter that
- 564 begins at least 90 days after the point of the mountain authority provides the
- 565 commission a map that:
- 566 (i) accurately describes the point of the mountain state land; and
- 567 (ii) the point of the mountain authority certifies as accurate.
- 568 (d) A distribution under Subsection (16)(b) with respect to additional land shall begin
- 569 the next calendar quarter that begins at least 90 days after the point of the mountain
- 570 authority provides the commission a map of point of the mountain state land that:
- 571 (i) accurately describes the point of the mountain state land, including the additional
- 572 land; and
- 573 (ii) the point of the mountain authority certifies as accurate.
- 574 (e)(i) Upon the payment in full of bonds secured by the sales and use tax revenue

575 distributed to the point of the mountain authority under Subsection (16)(b), the
576 point of the mountain authority shall immediately notify the commission in
577 writing that the bonds are paid in full.

578 (ii) The commission shall discontinue distributions of sales and use tax revenue under
579 Subsection (16)(b) at the beginning of the calendar quarter that begins at least 90
580 days after the date that the commission receives the written notice under
581 Subsection (16)(e)(i).

582 (17)(a) As used in this Subsection (17):

583 (i) "Applicable percentage" means:

584 (A) for a housing and transit reinvestment zone created under Title 63N, Chapter
585 3, Part 6, Housing and Transit Reinvestment Zone Act, 15% of the revenue
586 from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate
587 for sales occurring within the qualified development zone described in
588 Subsection (17)(a)(ii)(A);

589 (B) for the Utah Fairpark Area Investment and Restoration District created in
590 Section 11-70-201, the revenue from the sales and use tax imposed by
591 Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified
592 development zone described in Subsection (17)(a)(ii)(B); and

593 (C) for the Point of the Mountain State Land Authority created in Section
594 11-59-201, 50% of the revenue from sales and use tax imposed by Subsection
595 (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development
596 zone described in Subsection (17)(a)(ii)(C).

597 (ii) "Qualified development zone" means:

598 (A) the sales and use tax boundary of a housing and transit reinvestment zone
599 created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment
600 Act;

601 (B) the district sales tax boundary as defined in Section 11-70-101 for the Utah
602 Fairpark Area Investment and Restoration District, created in Section
603 11-70-201; or

604 (C) the sales and use tax boundary of point of the mountain state land, as defined
605 in Section 11-59-102, under the Point of the Mountain State Land Authority
606 created in Section 11-59-201.

607 (iii) "Schedule J sale" means a sale reported on State Tax Commission Form
608 TC-62M, Schedule J or a substantially similar form as designated by the

- 609 commission.
- 610 (b) Revenue generated from the applicable percentage by a Schedule J sale within a
611 qualified development zone shall be deposited into the General Fund.
- 612 (18)(a) As used in Subsections (18) and (19):
- 613 (i) "Applicable percentage" means, for a convention center reinvestment zone created
614 in a capital city under Title 63N, Chapter 3, Part 6, Housing and Transit
615 Reinvestment Zone Act, an amount equal to 50% of the sales and use tax
616 increment, as that term is defined in Section 63N-3-602, from the sales and use tax
617 imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the
618 qualified development zone described in Subsection (18)(a)(ii).
- 619 (ii) "Qualified development zone" means the sales and use tax boundary of a
620 convention center reinvestment zone created in a capital city under Title 63N,
621 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.
- 622 (iii) "Qualifying construction materials" means construction materials that are:
623 (A) delivered to a delivery outlet within a qualified development zone; and
624 (B) intended to be permanently attached to real property within the qualified
625 development zone.
- 626 (b) For a sale of qualifying construction materials, the commission shall distribute the
627 product calculated in Subsection (18)(c) to a qualified development zone if the seller
628 of the construction materials:
- 629 (i) establishes a delivery outlet with the commission within the qualified development
630 zone;
- 631 (ii) reports the sales of the construction materials to the delivery outlet described in
632 Subsection (18)(b)(i); and
- 633 (iii) does not report the sales of the construction materials on a simplified electronic
634 return.
- 635 (c) For the purposes of Subsection (18)(b), the product is equal to:
- 636 (i) the sales price or purchase price of the qualifying construction materials; and
637 (ii) the applicable percentage.
- 638 (19)(a) As used in this Subsection (19), "Schedule J sale" means a sale reported on State
639 Tax Commission Form TC-62M, Schedule J, or a substantially similar form as
640 designated by the commission.
- 641 (b) Revenue generated from the applicable percentage by a Schedule J sale within a
642 qualified development zone shall be distributed into the General Fund.

643 Section 2. Section **59-12-103** is amended to read:

644 **59-12-103 (Effective 07/01/26). Sales and use tax base -- Rates -- Effective dates**

645 **-- Use of sales and use tax revenue.**

646 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales
647 price for amounts paid or charged for the following transactions:

648 (a) retail sales of tangible personal property made within the state;

649 (b) amounts paid for:

650 (i) telecommunications service, other than mobile telecommunications service, that
651 originates and terminates within the boundaries of this state;

652 (ii) mobile telecommunications service that originates and terminates within the
653 boundaries of one state only to the extent permitted by the Mobile
654 Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

655 (iii) an ancillary service associated with a:

656 (A) telecommunications service described in Subsection (1)(b)(i); or

657 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

658 (c) sales of the following for commercial use:

659 (i) gas;

660 (ii) electricity;

661 (iii) heat;

662 (iv) coal;

663 (v) fuel oil; or

664 (vi) other fuels;

665 (d) sales of the following for residential use:

666 (i) gas;

667 (ii) electricity;

668 (iii) heat;

669 (iv) coal;

670 (v) fuel oil; or

671 (vi) other fuels;

672 (e) sales of prepared food;

673 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
674 user fees for theaters, movies, operas, museums, planetariums, shows of any type or
675 nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses,
676 menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling

- 677 matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling
678 lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts,
679 ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,
680 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or
681 any other amusement, entertainment, recreation, exhibition, cultural, or athletic
682 activity;
- 683 (g) amounts paid or charged for services for repairs or renovations of tangible personal
684 property, unless Section 59-12-104 provides for an exemption from sales and use tax
685 for:
- 686 (i) the tangible personal property; and
687 (ii) parts used in the repairs or renovations of the tangible personal property described
688 in Subsection (1)(g)(i), regardless of whether:
- 689 (A) any parts are actually used in the repairs or renovations of that tangible
690 personal property; or
691 (B) the particular parts used in the repairs or renovations of that tangible personal
692 property are exempt from a tax under this chapter;
- 693 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted
694 cleaning or washing of tangible personal property;
- 695 (i) amounts paid or charged for short-term rentals of tourist home, hotel, motel, or trailer
696 court accommodations and services;
- 697 (j) amounts paid or charged for laundry or dry cleaning services;
- 698 (k) amounts paid or charged for leases or rentals of tangible personal property if within
699 this state the tangible personal property is:
- 700 (i) stored;
701 (ii) used; or
702 (iii) otherwise consumed;
- 703 (l) amounts paid or charged for tangible personal property if within this state the tangible
704 personal property is:
- 705 (i) stored;
706 (ii) used; or
707 (iii) consumed;
- 708 (m) amounts paid or charged for a sale:
- 709 (i)(A) of a product transferred electronically; or
710 (B) of a repair or renovation of a product transferred electronically; and

- 711 (ii) regardless of whether the sale provides:
- 712 (A) a right of permanent use of the product; or
- 713 (B) a right to use the product that is less than a permanent use, including a right:
- 714 (I) for a definite or specified length of time; and
- 715 (II) that terminates upon the occurrence of a condition; and
- 716 (n) sales of leased tangible personal property from the lessor to the lessee made in the
- 717 state.
- 718 (2)(a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are
- 719 imposed on a transaction described in Subsection (1) equal to the sum of:
- 720 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 721 (A) 4.70%;
- 722 (B) the rate specified in Subsection (6)(a); and
- 723 (C) the tax rate the state imposes in accordance with Part 20, Supplemental State
- 724 Sales and Use Tax Act, if the location of the transaction as determined under
- 725 Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated
- 726 area of a county in which the state imposes the tax under Part 20, Supplemental
- 727 State Sales and Use Tax Act; and
- 728 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 729 transaction under this chapter other than this part.
- 730 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state
- 731 tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal
- 732 to the sum of:
- 733 (i) a state tax imposed on the transaction at a tax rate of 2%; and
- 734 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 735 transaction under this chapter other than this part.
- 736 (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed
- 737 on amounts paid or charged for food and food ingredients equal to the sum of:
- 738 (i) a state tax imposed on the amounts paid or charged for food and food ingredients
- 739 at a tax rate of 1.75%; and
- 740 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 741 amounts paid or charged for food and food ingredients under this chapter other
- 742 than this part.
- 743 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid
- 744 or charged for fuel to a common carrier that is a railroad for use in a locomotive

745 engine at a rate equal to the sum of the rates described in Subsections (2)(a)(i)(A) and
746 (2)(a)(i)(B).

747 (e)(i)(A) The rates described in Subsections (2)(a)(i)(A) and (2)(a)(i)(B) do not
748 apply to car sharing, a car sharing program, a shared vehicle driver, or a shared
749 vehicle owner, for a car sharing or shared vehicle transaction if a shared
750 vehicle owner certifies to the commission, on a form prescribed by the
751 commission, that the shared vehicle is an individual-owned shared vehicle.

752 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is
753 required once during the time that the shared vehicle owner owns the shared
754 vehicle.

755 (C) The commission shall verify that a shared vehicle is an individual-owned
756 shared vehicle by verifying that the applicable Utah taxes imposed under this
757 chapter were paid on the purchase of the shared vehicle.

758 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified
759 individual-owned shared vehicle shared through a car-sharing program even if
760 non-certified shared vehicles are also available to be shared through the same
761 car-sharing program.

762 (ii) A tax imposed under Subsection (2)(a)(i)(C) or (2)(a)(ii) applies to car sharing.

763 (iii)(A) A car-sharing program may rely in good faith on a shared vehicle owner's
764 representation that the shared vehicle is an individual-owned shared vehicle
765 certified with the commission as described in Subsection (2)(e)(i).

766 (B) If a car-sharing program relies in good faith on a shared vehicle owner's
767 representation that the shared vehicle is an individual-owned shared vehicle
768 certified with the commission as described in Subsection (2)(e)(i), the
769 car-sharing program is not liable for any tax, penalty, fee, or other sanction
770 imposed on the shared vehicle owner.

771 (iv) If all shared vehicles shared through a car-sharing program are certified as
772 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has
773 no obligation to collect and remit the tax under Subsections (2)(a)(i)(A) and
774 (2)(a)(i)(B) for that tax period.

775 (v) A car-sharing program is not required to list or otherwise identify an
776 individual-owned shared vehicle on a return or an attachment to a return.

777 (vi) A car-sharing program shall:

778 (A) retain tax information for each car-sharing program transaction; and

- 779 (B) provide the information described in Subsection (2)(e)(vi)(A) to the
780 commission at the commission's request.
- 781 (f)(i) For a bundled transaction that is attributable to food and food ingredients and
782 tangible personal property other than food and food ingredients, a state tax and a
783 local tax is imposed on the entire bundled transaction equal to the sum of:
- 784 (A) the tax rates described in Subsection (2)(a)(i); and
785 (B) a local tax imposed on the entire bundled transaction at the sum of the tax
786 rates described in Subsection (2)(a)(ii).
- 787 (ii) If an optional computer software maintenance contract is a bundled transaction
788 that consists of taxable and nontaxable products that are not separately itemized
789 on an invoice or similar billing document, the purchase of the optional computer
790 software maintenance contract is 40% taxable under this chapter and 60%
791 nontaxable under this chapter.
- 792 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled
793 transaction described in Subsection (2)(f)(i) or (ii):
- 794 (A) if the sales price of the bundled transaction is attributable to tangible personal
795 property, a product, or a service that is subject to taxation under this chapter
796 and tangible personal property, a product, or service that is not subject to
797 taxation under this chapter, the entire bundled transaction is subject to taxation
798 under this chapter unless:
- 799 (I) the seller is able to identify by reasonable and verifiable standards the
800 tangible personal property, product, or service that is not subject to taxation
801 under this chapter from the books and records the seller keeps in the seller's
802 regular course of business; or
- 803 (II) state or federal law provides otherwise; or
- 804 (B) if the sales price of a bundled transaction is attributable to two or more items
805 of tangible personal property, products, or services that are subject to taxation
806 under this chapter at different rates, the entire bundled transaction is subject to
807 taxation under this chapter at the higher tax rate unless:
- 808 (I) the seller is able to identify by reasonable and verifiable standards the
809 tangible personal property, product, or service that is subject to taxation
810 under this chapter at the lower tax rate from the books and records the seller
811 keeps in the seller's regular course of business; or
- 812 (II) state or federal law provides otherwise.

813 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the
814 seller's regular course of business includes books and records the seller keeps in
815 the regular course of business for nontax purposes.

816 (g)(i) Except as otherwise provided in this chapter and subject to Subsections
817 (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible
818 personal property, a product, or a service that is subject to taxation under this
819 chapter, and the sale, lease, or rental of tangible personal property, other property,
820 a product, or a service that is not subject to taxation under this chapter, the entire
821 transaction is subject to taxation under this chapter unless the seller, at the time of
822 the transaction:

823 (A) separately states the portion of the transaction that is not subject to taxation
824 under this chapter on an invoice, bill of sale, or similar document provided to
825 the purchaser; or

826 (B) is able to identify by reasonable and verifiable standards, from the books and
827 records the seller keeps in the seller's regular course of business, the portion of
828 the transaction that is not subject to taxation under this chapter.

829 (ii) A purchaser and a seller may correct the taxability of a transaction if:

830 (A) after the transaction occurs, the purchaser and the seller discover that the
831 portion of the transaction that is not subject to taxation under this chapter was
832 not separately stated on an invoice, bill of sale, or similar document provided
833 to the purchaser because of an error or ignorance of the law; and

834 (B) the seller is able to identify by reasonable and verifiable standards, from the
835 books and records the seller keeps in the seller's regular course of business, the
836 portion of the transaction that is not subject to taxation under this chapter.

837 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller
838 keeps in the seller's regular course of business includes books and records the
839 seller keeps in the regular course of business for nontax purposes.

840 (h)(i) If the sales price of a transaction is attributable to two or more items of tangible
841 personal property, products, or services that are subject to taxation under this
842 chapter at different rates, the entire purchase is subject to taxation under this
843 chapter at the higher tax rate unless the seller, at the time of the transaction:

844 (A) separately states the items subject to taxation under this chapter at each of the
845 different rates on an invoice, bill of sale, or similar document provided to the
846 purchaser; or

847 (B) is able to identify by reasonable and verifiable standards the tangible personal
848 property, product, or service that is subject to taxation under this chapter at the
849 lower tax rate from the books and records the seller keeps in the seller's regular
850 course of business.

851 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
852 seller's regular course of business includes books and records the seller keeps in
853 the regular course of business for nontax purposes.

854 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate
855 imposed under the following shall take effect on the first day of a calendar quarter:

856 (i) Subsection (2)(a)(i)(A);

857 (ii) Subsection (2)(a)(i)(B);

858 (iii) Subsection (2)(b)(i);

859 (iv) Subsection (2)(c)(i); or

860 (v) Subsection (2)(f)(i)(A).

861 (j)(i) A tax rate increase takes effect on the first day of the first billing period that
862 begins on or after the effective date of the tax rate increase if the billing period for
863 the transaction begins before the effective date of a tax rate increase imposed
864 under:

865 (A) Subsection (2)(a)(i)(A);

866 (B) Subsection (2)(a)(i)(B);

867 (C) Subsection (2)(b)(i);

868 (D) Subsection (2)(c)(i); or

869 (E) Subsection (2)(f)(i)(A).

870 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
871 statement for the billing period is rendered on or after the effective date of the
872 repeal of the tax or the tax rate decrease imposed under:

873 (A) Subsection (2)(a)(i)(A);

874 (B) Subsection (2)(a)(i)(B);

875 (C) Subsection (2)(b)(i);

876 (D) Subsection (2)(c)(i); or

877 (E) Subsection (2)(f)(i)(A).

878 (k)(i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale
879 is computed on the basis of sales and use tax rates published in the catalogue, a
880 tax rate repeal or change in a tax rate takes effect:

- 881 (A) on the first day of a calendar quarter; and
 882 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate
 883 change.
- 884 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
 885 (A) Subsection (2)(a)(i)(A);
 886 (B) Subsection (2)(a)(i)(B);
 887 (C) Subsection (2)(b)(i);
 888 (D) Subsection (2)(c)(i); or
 889 (E) Subsection (2)(f)(i)(A).
- 890 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
 891 the commission may by rule define the term "catalogue sale."
- 892 (l)(i) For a location described in Subsection (2)(l)(ii), the commission shall determine
 893 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel
 894 based on the predominant use of the gas, electricity, heat, coal, fuel oil, or other
 895 fuel at the location.
- 896 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
 897 or other fuel is furnished through a single meter for two or more of the following
 898 uses:
 899 (A) a commercial use;
 900 (B) an industrial use; or
 901 (C) a residential use.
- 902 (3)(a) The commission shall deposit the following state taxes into the General Fund:
 903 (i) the tax imposed by Subsection (2)(a)(i)(A);
 904 (ii) the tax imposed by Subsection (2)(b)(i);
 905 (iii) the tax imposed by Subsection (2)(c)(i);
 906 (iv) the tax imposed by Subsection (2)(d); and
 907 (v) the tax imposed by Subsection (2)(f)(i)(A).
- 908 (b) The commission shall distribute the following local taxes to a county, city, or town
 909 as provided in this chapter:
 910 (i) the tax imposed by Subsection (2)(a)(ii);
 911 (ii) the tax imposed by Subsection (2)(b)(ii);
 912 (iii) the tax imposed by Subsection (2)(c)(ii); and
 913 (iv) the tax imposed by Subsection (2)(f)(i)(B).
- 914 (4)(a) Notwithstanding Subsection (3)(a), for each fiscal year the commission shall make

- 915 the deposits described in Subsections (4)(b) through (4)(h) from the revenue from the
916 taxes imposed by:
- 917 (i) Subsection (2)(a)(i)(A);
 - 918 (ii) Subsection (2)(b)(i);
 - 919 (iii) Subsection (2)(c)(i); and
 - 920 (iv) Subsection (2)(f)(i)(A).
- 921 (b) The commission shall deposit 15% of the difference between 1.4543% of the
922 revenue described in Subsection (4)(a) and the deposits made under Subsection (5)(b),
923 into the Water Rights Restricted Account created in Section 73-2-1.6.
- 924 (c) The commission shall deposit 85% of the difference between 1.4543% of the revenue
925 described in Subsection (4)(a) and the deposits made under Subsection (5)(b), into
926 the Water Resources Conservation and Development Fund created in Section
927 73-10-24 for use by the Division of Water Resources for:
- 928 (i) preconstruction costs:
 - 929 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73,
930 Chapter 26, Bear River Development Act; and
 - 931 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
932 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
 - 933 (ii) the cost of employing a civil engineer to oversee any project authorized by Title
934 73, Chapter 26, Bear River Development Act;
 - 935 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline
936 project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development
937 Act; and
 - 938 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
939 Subsection (5)(b)(iv)(B) after funding the uses specified in Subsections (4)(c)(i)
940 through (iii).
- 941 (d) The commission shall deposit 1.4543% of the revenue described in Subsection (4)(a)
942 into the Water Infrastructure Restricted Account created in Section 73-10g-103.
- 943 (e)(i) Subject to Subsection (4)(e)(ii), the commission shall deposit [~~26.24%~~] 19.24%
944 of the revenue described in Subsection (4)(a) into the Transportation Investment
945 Fund of 2005 created in Section 72-2-124.
- 946 (ii) The commission shall annually reduce the deposit described in Subsection
947 (4)(e)(i) by the sum of:
 - 948 (A) \$1,813,400;

- 949 (B) the earmark described in Subsection (5)(c); and
- 950 (C) an amount equal to 35% of the revenue generated in the current fiscal year by
- 951 the portion of the tax imposed on motor and special fuel that is sold, used, or
- 952 received in the state that exceeds 29.4 cents per gallon.
- 953 (iii) The amount described in Subsection (4)(e)(ii)(C) shall be annually deposited into
- 954 the Transit Transportation Investment Fund created in Section 72-2-124.
- 955 (f) The commission shall deposit .44% of the revenue described in Subsection (4)(a) into
- 956 the Cottonwood Canyons Transportation Investment Fund created in Section
- 957 72-2-124.
- 958 (g) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into
- 959 the Commuter Rail Subaccount created in Section 72-2-124.
- 960 (h) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into
- 961 the Outdoor Adventure Infrastructure Restricted Account created in Section 51-9-902
- 962 as follows:
- 963 (i) into the Outdoor Adventure Infrastructure Restricted Account created in Section
- 964 51-9-902, an amount equal to the amount that was deposited into the Outdoor
- 965 Adventure Infrastructure Restricted Account in fiscal year 2025; and
- 966 (ii) for any amount exceeding the amount described in Subsection (4)(h)(i), 50% into
- 967 the Outdoor Adventure Infrastructure Restricted Account and 50% to the Utah
- 968 Fairpark Area Investment and Restoration District created in Section 11-70-201.
- 969 (5)(a) Notwithstanding Subsection (3)(a), each fiscal year the commission shall make
- 970 the deposits described in this Subsection (5).
- 971 (b)(i)(A) The commission shall deposit \$500,000 to the Department of Natural
- 972 Resources to be used for watershed rehabilitation or restoration.
- 973 (B) At the end of each fiscal year, 100% of any unexpended amount described in
- 974 Subsection (5)(b)(i)(A) shall lapse into the Water Resources Conservation and
- 975 Development Fund created in Section 73-10-24.
- 976 (ii) The commission shall deposit \$150,000 to the Division of Water Resources for
- 977 cloud-seeding projects authorized by Title 73, Chapter 15, Modification of
- 978 Weather.
- 979 (iii) The commission shall deposit \$525,000 into the Division of Conservation
- 980 created in Section 4-46-401 to implement water related programs.
- 981 (iv) The commission shall deposit \$7,175,000 into the Water Resources Conservation
- 982 and Development Fund created in Section 73-10-24 for use by the Division of

- 983 Water Resources:
- 984 (A) for the uses allowed of the Water Resources Conservation and Development
- 985 Fund under Section 73-10-24;
- 986 (B) to conduct hydrologic and geotechnical investigations by the Division of
- 987 Water Resources in a cooperative effort with other state, federal, or local
- 988 entities, for the purpose of quantifying surface and ground water resources and
- 989 describing the hydrologic systems of an area in sufficient detail so as to enable
- 990 local and state resource managers to plan for and accommodate growth in
- 991 water use without jeopardizing the resource;
- 992 (C) to fund state required dam safety improvements; and
- 993 (D) to protect the state's interest in interstate water compact allocations, including
- 994 the hiring of technical and legal staff.
- 995 (v) The commission shall deposit \$3,587,500 into the Utah Wastewater Loan
- 996 Program Subaccount created in Section 73-10c-5 for use by the Water Quality
- 997 Board to fund wastewater projects.
- 998 (vi) The commission shall deposit \$3,587,500 into the Drinking Water Loan Program
- 999 Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water
- 1000 to:
- 1001 (A) provide for the installation and repair of collection, treatment, storage, and
- 1002 distribution facilities for any public water system, as defined in Section
- 1003 19-4-102;
- 1004 (B) develop underground sources of water, including springs and wells; and
- 1005 (C) develop surface water sources.
- 1006 (vii) The commission shall deposit \$2,450,000 to the Division of Wildlife Resources
- 1007 to:
- 1008 (A) implement the measures described in Subsections 23A-3-214(3)(a) through
- 1009 (d) to protect sensitive plant and animal species; or
- 1010 (B) award grants, up to the amount authorized by the Legislature in an
- 1011 appropriations act, to political subdivisions of the state to implement the
- 1012 measures described in Subsections 23A-3-214(3)(a) through (d) to protect
- 1013 sensitive plant and animal species.
- 1014 (viii) Funds transferred to the Division of Wildlife Resources under Subsection
- 1015 (5)(b)(vii)(A) may not be used to assist the United States Fish and Wildlife
- 1016 Service or any other person to list or attempt to have listed a species as threatened

1017 or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531, et
1018 seq.

1019 (ix) At the end of each fiscal year, any unexpended amounts described in Subsections
1020 (5)(b)(vii)(A) and (B) shall lapse:

1021 (A) 50% into the Water Resources Conservation and Development Fund created
1022 in Section 73-10-24;

1023 (B) 25% into the Utah Wastewater Loan Program Subaccount created in Section
1024 73-10c-5; and

1025 (C) 25% into the Drinking Water Loan Program Subaccount created in Section
1026 73-10c-5.

1027 (x) The commission shall allocate \$175,000 to the Division of Water Rights to cover
1028 the costs incurred in hiring legal and technical staff for the adjudication of water
1029 rights.

1030 (xi) At the end of each fiscal year, any unexpended amounts described in Subsection
1031 (5)(b)(x) shall lapse:

1032 (A) 50% into the Water Resources Conservation and Development Fund created
1033 in Section 73-10-24;

1034 (B) 25% into the Utah Wastewater Loan Program Subaccount created in Section
1035 73-10c-5; and

1036 (C) 25% into the Drinking Water Loan Program Subaccount created in Section
1037 73-10c-5.

1038 (c) The commission shall deposit \$45,000,000 into the Active Transportation Investment
1039 Fund created in Section 72-2-124.

1040 (d) The commission shall deposit \$533,750 into the Qualified Emergency Food
1041 Agencies Fund created by and expended in accordance with Section 35A-8-1009.

1042 (e) The commission shall deposit \$200,000 into the General Fund as a dedicated credit
1043 for the sole use of the Search and Rescue Financial Assistance Program created by
1044 and to be expended in accordance with Title 53, Chapter 2a, Part 11, Search and
1045 Rescue Act.

1046 (6)(a) The rate specified in this Subsection (6) is 0.15%.

1047 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning
1048 on or after July 1, 2019, annually transfer the amount of revenue collected from the
1049 rate described in Subsection (6)(a) on the transactions that are subject to the sales and
1050 use tax under Subsection (2)(a)(i)(B) into the Medicaid ACA Fund created in Section

1051 26B-1-315.

1052 (7)(a) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11),
1053 (12), and (13), and as described in Section 63N-3-610, beginning the first day of a
1054 calendar quarter one year after the sales and use tax boundary for a housing and
1055 transit reinvestment zone is established under Title 63N, Chapter 3, Part 6, Housing
1056 and Transit Reinvestment Zone Act, the commission, at least annually, shall transfer
1057 an amount equal to 15% of the sales and use tax increment from the sales and use tax
1058 imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within
1059 an established sales and use tax boundary, as defined in Section 63N-3-602, into the
1060 Transit Transportation Investment Fund created in Section 72-2-124.

1061 (b) Beginning no sooner than January 1, 2026, notwithstanding Subsection (3)(a), and
1062 except as provided in Subsections (11), (12), and (13), and as described in Section
1063 63N-3-610.1, beginning the first day of a calendar quarter after the year set in the
1064 proposal and after the sales and use tax boundary for a convention center
1065 reinvestment zone is established in a capital city under Title 63N, Chapter 3, Part 6,
1066 Housing and Transit Reinvestment Zone Act, the commission, at least annually, shall
1067 transfer an amount equal to 50% of the sales and use tax increment as defined in
1068 Section 63N-3-602 from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a
1069 4.7% rate, on transactions occurring within an established sales and use tax boundary,
1070 as defined in Section 63N-3-602, to a convention center public infrastructure district
1071 created in accordance with Section 17D-4-202.1 and specified in the convention
1072 center reinvestment zone proposal submitted pursuant to Title 63N, Chapter 3, Part 6,
1073 Housing and Transit Reinvestment Zone Act.

1074 (8) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12), and
1075 (13), beginning October 1, 2024 the commission shall transfer to the Utah Fairpark Area
1076 Investment and Restoration District, created in Section 11-70-201, the revenue from the
1077 sales and use tax imposed by Subsection (2)(a)(i)(A), on transactions occurring within
1078 the district sales tax area, as defined in Section 11-70-101.

1079 (9)(a) As used in this Subsection (9):

1080 (i) "Additional land" means point of the mountain state land described in Subsection
1081 11-59-102(6)(b) that the point of the mountain authority acquires after the point of
1082 the mountain authority provides the commission a map under Subsection (9)(c).

1083 (ii) "Point of the mountain authority" means the Point of the Mountain State Land
1084 Authority, created in Section 11-59-201.

- 1085 (iii) "Point of the mountain state land" means the same as that term is defined in
1086 Section 11-59-102.
- 1087 (b) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12),
1088 and (13), the commission shall distribute to the point of the mountain authority 50%
1089 of the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A), on
1090 transactions occurring on the point of the mountain state land.
- 1091 (c) The distribution under Subsection (9)(b) shall begin the next calendar quarter that
1092 begins at least 90 days after the point of the mountain authority provides the
1093 commission a map that:
- 1094 (i) accurately describes the point of the mountain state land; and
1095 (ii) the point of the mountain authority certifies as accurate.
- 1096 (d) A distribution under Subsection (9)(b) with respect to additional land shall begin the
1097 next calendar quarter that begins at least 90 days after the point of the mountain
1098 authority provides the commission a map of point of the mountain state land that:
- 1099 (i) accurately describes the point of the mountain state land, including the additional
1100 land; and
1101 (ii) the point of the mountain authority certifies as accurate.
- 1102 (e)(i) Upon the payment in full of bonds secured by the sales and use tax revenue
1103 distributed to the point of the mountain authority under Subsection (9)(b), the
1104 point of the mountain authority shall immediately notify the commission in
1105 writing that the bonds are paid in full.
- 1106 (ii) The commission shall discontinue distributions of sales and use tax revenue under
1107 Subsection (9)(b) at the beginning of the calendar quarter that begins at least 90
1108 days after the date that the commission receives the written notice under
1109 Subsection (9)(e)(i).
- 1110 (10) Notwithstanding Subsection (3)(a), the amount of state sales tax revenues described in
1111 Section 63N-2-503.5 is deposited into the Convention Incentive Fund created in Section
1112 63N-2-503.5.
- 1113 (11)(a) As used in this Subsection (11):
- 1114 (i) "Applicable percentage" means:
- 1115 (A) for a housing and transit reinvestment zone created under Title 63N, Chapter
1116 3, Part 6, Housing and Transit Reinvestment Zone Act, 15% of the revenue
1117 from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate
1118 for sales occurring within the qualified development zone described in

- 1119 Subsection (11)(a)(ii)(A);
- 1120 (B) for the Utah Fairpark Area Investment and Restoration District created in
- 1121 Section 11-70-201, the revenue from the sales and use tax imposed by
- 1122 Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified
- 1123 development zone described in Subsection (11)(a)(ii)(B); and
- 1124 (C) for the Point of the Mountain State Land Authority created in Section
- 1125 11-59-201, 50% of the revenue from sales and use tax imposed by Subsection
- 1126 (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development
- 1127 zone described in Subsection (11)(a)(ii)(C).
- 1128 (ii) "Qualified development zone" means:
- 1129 (A) the sales and use tax boundary of a housing and transit reinvestment zone
- 1130 created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment
- 1131 Act;
- 1132 (B) the district sales tax boundary as defined in Section 11-70-101 for the Utah
- 1133 Fairpark Area Investment and Restoration District, created in Section
- 1134 11-70-201; or
- 1135 (C) the sales and use tax boundary of point of the mountain state land, as defined
- 1136 in Section 11-59-102, under the Point of the Mountain State Land Authority
- 1137 created in Section 11-59-201.
- 1138 (iii) "Schedule J sale" means a sale reported on State Tax Commission Form
- 1139 TC-62M, Schedule J or a substantially similar form as designated by the
- 1140 commission.
- 1141 (b) Revenue generated from the applicable percentage by a Schedule J sale within a
- 1142 qualified development zone shall be deposited into the General Fund.
- 1143 (12)(a) As used in Subsections (12) and (13):
- 1144 (i) "Applicable percentage" means, for a convention center reinvestment zone created
- 1145 in a capital city under Title 63N, Chapter 3, Part 6, Housing and Transit
- 1146 Reinvestment Zone Act, an amount equal to 50% of the sales and use tax
- 1147 increment, as that term is defined in Section 63N-3-602, from the sales and use tax
- 1148 imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the
- 1149 qualified development zone described in Subsection (12)(a)(ii).
- 1150 (ii) "Qualified development zone" means the sales and use tax boundary of a
- 1151 convention center reinvestment zone created in a capital city under Title 63N,
- 1152 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

- 1153 (iii) "Qualifying construction materials" means construction materials that are:
1154 (A) delivered to a delivery outlet within a qualified development zone; and
1155 (B) intended to be permanently attached to real property within the qualified
1156 development zone.
- 1157 (b) For a sale of qualifying construction materials, the commission shall distribute the
1158 product calculated in Subsection (12)(c) to a qualified development zone if the seller
1159 of the construction materials:
- 1160 (i) establishes a delivery outlet with the commission within the qualified development
1161 zone;
1162 (ii) reports the sales of the construction materials to the delivery outlet described in
1163 Subsection (12)(b)(i); and
1164 (iii) does not report the sales of the construction materials on a simplified electronic
1165 return.
- 1166 (c) For the purposes of Subsection (12)(b), the product is equal to:
1167 (i) the sales price or purchase price of the qualifying construction materials; and
1168 (ii) the applicable percentage.
- 1169 (13)(a) As used in this Subsection (13), "Schedule J sale" means a sale reported on State
1170 Tax Commission Form TC-62M, Schedule J, or a substantially similar form as
1171 designated by the commission.
- 1172 (b) Revenue generated from the applicable percentage by a Schedule J sale within a
1173 qualified development zone shall be distributed into the General Fund.

1174 **Section 3. Effective Date.**

- 1175 (1) Except as provided in Subsection (2), this bill takes effect May 6, 2026.
1176 (2) The actions affecting Section 59-12-103 (**Effective 07/01/26**) take effect on July 1, 2026.