

1 **SALES AND USE TAXES FOR TRANSPORTATION**
2 **AMENDMENTS**

3 2014 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Joel K. Briscoe**

6 Senate Sponsor: _____

8 **LONG TITLE**

9 **General Description:**

10 This bill addresses sales and use taxes for transportation.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ authorizes a county, city, or town to increase certain local option sales and use tax
- 14 rates for public transit;
- 15 ▶ addresses the circumstances under which the state is required to impose a sales and
- 16 use tax for public transit;
- 17 ▶ repeals obsolete language; and
- 18 ▶ makes technical and conforming changes.

19 **Money Appropriated in this Bill:**

20 None

21 **Other Special Clauses:**

22 This bill takes effect on July 1, 2014.

23 **Utah Code Sections Affected:**

24 AMENDS:

25 **59-12-2003**, as last amended by Laws of Utah 2010, Chapter 263

26 **59-12-2213**, as last amended by Laws of Utah 2011, Chapter 223

27 **59-12-2214**, as enacted by Laws of Utah 2010, Chapter 263



28 REPEALS:

29 **59-12-2212.1**, as enacted by Laws of Utah 2010, Chapter 263



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

32 Section 1. Section **59-12-2003** is amended to read:

33 **59-12-2003. Imposition -- Base -- Rate -- Revenues distributed to certain public**
34 **transit districts.**

35 (1) Subject to the other provisions of this section and except as provided in Subsection
36 (2) or (4), beginning on July 1, 2008, the state shall impose a tax under this part on the
37 transactions described in Subsection **59-12-103**(1) within a city, town, or the unincorporated
38 area of a county of the first or second class if, on January 1, 2008, there is a public transit
39 district within any portion of that county of the first or second class.

40 (2) The state may not impose a tax under this part within a county of the first or second
41 class if within all of the cities, towns, and the unincorporated area of the county of the first or
42 second class there is imposed a sales and use tax of:

- 43 (a) at least .30% under Section **59-12-2213**;
- 44 (b) .30% under Section **59-12-2215**; or
- 45 (c) .30% under Section **59-12-2216**.

46 (3) (a) Subject to Subsection (3)(b), if the state imposes a tax under this part, the tax
47 rate imposed within a city, town, or the unincorporated area of a county of the first or second
48 class is a percentage equal to the difference between:

- 49 (i) .30%; and
- 50 (ii) (A) for a city within the county of the first or second class, the highest tax rate
51 imposed within that city under:

- 52 (I) Section **59-12-2213**;
- 53 (II) Section **59-12-2215**; or
- 54 (III) Section **59-12-2216**;

55 (B) for a town within the county of the first or second class, the highest tax rate
56 imposed within that town under:

- 57 (I) Section **59-12-2213**;
- 58 (II) Section **59-12-2215**; or

59 (III) Section 59-12-2216; or
60 (C) for the unincorporated area of the county of the first or second class, the highest tax
61 rate imposed within that unincorporated area under:

- 62 (I) Section 59-12-2213;
- 63 (II) Section 59-12-2215; or
- 64 (III) Section 59-12-2216.

65 (b) For purposes of Subsection (3)(a), if for a city, town, or the unincorporated area of
66 a county of the first or second class, the highest tax rate imposed under Section 59-12-2213,
67 59-12-2215, or 59-12-2216 within that city, town, or unincorporated area of the county of the
68 first or second class is at least .30%, the state may not impose a tax under this part within that
69 city, town, or unincorporated area.

70 (4) (a) The state may not impose a tax under this part on:

71 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
72 are exempt from taxation under Section 59-12-104; or

73 (ii) except as provided in Subsection (4)(b), amounts paid or charged for food and food
74 ingredients.

75 (b) The state shall impose a tax under this part on amounts paid or charged for food
76 and food ingredients if the food and food ingredients are sold as part of a bundled transaction
77 attributable to food and ingredients and tangible personal property other than food and food
78 ingredients.

79 (5) For purposes of Subsection (1), the location of a transaction shall be determined in
80 accordance with Sections 59-12-211 through 59-12-215.

81 (6) The commission shall distribute the revenues the state collects from the sales and
82 use tax under this part, after subtracting amounts a seller retains in accordance with Section
83 59-12-108, to the public transit districts within the cities, towns, and unincorporated areas:

84 (a) within which the state imposes a tax under this part; and

85 (b) in proportion to the revenues collected from the sales and use tax under this part
86 within each city, town, and unincorporated area within which the state imposes a tax under this
87 part.

88 Section 2. Section 59-12-2213 is amended to read:

89 **59-12-2213. County, city, or town option sales and use tax to fund a system for**

90 **public transit -- Base -- Rates.**

91 (1) Subject to the other provisions of this part, a county, city, or town may impose a
92 sales and use tax under this section of up to:

93 (a) for a county, city, or town other than a county, city, or town described in Subsection
94 (1)(b), [~~.25%~~] .45% on the transactions described in Subsection 59-12-103(1) located within
95 the county, city, or town to fund a system for public transit; or

96 (b) for a county, city, or town within which a tax is not imposed under Section
97 59-12-2216, [~~.30%~~] .50% on the transactions described in Subsection 59-12-103(1) located
98 within the county, city, or town, to fund a system for public transit.

99 (2) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is not
100 required to submit an opinion question to the county's, city's, or town's registered voters in
101 accordance with Section 59-12-2208 to impose a sales and use tax under this section if the
102 county, city, or town imposes the sales and use tax under Section 59-12-2216 on or before July
103 1, 2011.

104 Section 3. Section 59-12-2214 is amended to read:

105 **59-12-2214. County, city, or town option sales and use tax to fund a system for**
106 **public transit, an airport facility, or to be deposited into the County of the First Class**
107 **State Highway Projects Fund -- Base -- Rate.**

108 (1) Subject to the other provisions of this part, a county, city, or town may impose a
109 sales and use tax of .25% on the transactions described in Subsection 59-12-103(1) located
110 within the county, city, or town.

111 (2) Subject to Subsection (3), a county, city, or town that imposes a sales and use tax
112 under this section shall expend the revenues collected from the sales and use tax:

113 (a) to fund a system for public transit;

114 (b) to fund a project or service related to an airport facility for the portion of the project
115 or service that is performed within the county, city, or town within which the sales and use tax
116 is imposed:

117 (i) for a county that imposes the sales and use tax, if the airport facility is part of the
118 regional transportation plan of the area metropolitan planning organization if a metropolitan
119 planning organization exists for the area; or

120 (ii) for a city or town that imposes the sales and use tax, if:

121 (A) that city or town is located within a county of the second class;

122 (B) that city or town owns or operates the airport facility; and

123 (C) an airline is headquartered in that city or town; or

124 (c) for a combination of Subsections (2)(a) and (b).

125 (3) A county of the first class that imposes a sales and use tax under this section shall
126 expend the revenues collected from the sales and use tax as follows:

127 (a) 80% of the revenues collected from the sales and use tax shall be expended to fund
128 a system for public transit; and

129 (b) 20% of the revenues collected from the sales and use shall be deposited into the
130 County of the First Class State Highway Projects Fund created by Section 72-2-121.

131 ~~[(4) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is~~
132 ~~not required to submit an opinion question to the county's, city's, or town's registered voters in~~
133 ~~accordance with Section 59-12-2208 to impose a sales and use tax under this section if:]~~

134 ~~[(a) the county, city, or town imposes the sales and use tax under this section on or~~
135 ~~after July 1, 2010, but on or before July 1, 2011;]~~

136 ~~[(b) on July 1, 2010, the county, city, or town imposes a sales and use tax under:]~~

137 ~~[(i) Section 59-12-2213; or]~~

138 ~~[(ii) Section 59-12-2215; and]~~

139 ~~[(c) the county, city, or town obtained voter approval to impose the sales and use tax~~
140 ~~under:]~~

141 ~~[(i) Section 59-12-2213; or]~~

142 ~~[(ii) Section 59-12-2215.]~~

143 **Section 4. Effective date.**

144 This bill takes effect on July 1, 2014.

145 **Section 5. Repealer.**

146 This bill repeals:

147 Section 59-12-2212.1, **Transition provisions.**

Legislative Review Note
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Office of Legislative Research and General Counsel