

1                   **CORPORATE FRANCHISE AND INCOME TAX FINE AND**  
2                                   **PENALTY AMENDMENTS**

3                                   2013 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Chief Sponsor: Brian M. Greene**

6                                   Senate Sponsor: John L. Valentine

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8   **LONG TITLE**

9   **General Description:**

10           This bill amends fine and penalty provisions related to corporate franchise and income  
11 taxes.

12 **Highlighted Provisions:**

13           This bill:

- 14           ▶ repeals a fine and penalty for conducting certain business activities after a
- 15 suspension or forfeiture of certain business rights for failure to pay a tax; and
- 16           ▶ makes technical and conforming changes.

17 **Money Appropriated in this Bill:**

18           None

19 **Other Special Clauses:**

20           None

21 **Utah Code Sections Affected:**

22 AMENDS:

23           **59-7-535**, as renumbered and amended by Laws of Utah 1993, Chapter 169

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

26           Section 1. Section **59-7-535** is amended to read:

27           **59-7-535. Doing business after suspension or forfeiture of certain corporate**  
28 **powers, rights, and privileges -- Penalty.**

29           ~~[(1) Pursuant to any suspension or forfeiture under Section 59-7-534, any person who]~~

30           (1) A person is guilty of a class B misdemeanor if:

31           (a) the person's corporate powers, rights, and privileges have been suspended in  
32 accordance with Section 59-7-534; and

33           (b) the person:

34           (i) attempts or purports to exercise any of the rights, privileges, or powers of [any] a  
35 suspended domestic corporation[;]; or [who]

36           (ii) transacts or attempts to transact any intrastate business in this state in behalf of  
37 [any] a forfeited foreign corporation[; is guilty of a class B misdemeanor. A fine shall be  
38 imposed of not less than \$250, and a penalty of imprisonment shall be imposed of not less than  
39 50 days in the county jail].

40           (2) Jurisdiction of the offense shall be in any county in which any part of [the  
41 ~~attempted exercise of the powers, or any part of the transaction of business]~~ an action described  
42 in Subsection (1)(b) occurred.

43           (3) Any contract made in violation of this section is unenforceable by [the] a  
44 corporation or person described in Subsection (1).