

**SALES AND USE TAXES FOR TRANSPORTATION
AMENDMENTS**

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Joel K. Briscoe

Senate Sponsor: _____

LONG TITLE

General Description:

This bill addresses sales and use taxes for transportation.

Highlighted Provisions:

This bill:

- ▶ authorizes certain counties, cities, or towns to increase certain local option sales and use tax rates for public transit;
- ▶ addresses the circumstances under which the state is required to impose a sales and use tax for public transit;
- ▶ addresses the use of certain revenue collected from the local option sales and use tax for public transit;
- ▶ repeals obsolete language; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

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



28 [59-12-2213](#), as last amended by Laws of Utah 2011, Chapter 223

29 [59-12-2214](#), as enacted by Laws of Utah 2010, Chapter 263

30 REPEALS:

31 [59-12-2212.1](#), as enacted by Laws of Utah 2010, Chapter 263



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

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

35 **59-12-2003. Imposition -- Base -- Rate -- Revenues distributed to certain public**
36 **transit districts.**

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

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

- 45 (a) at least .30% under Section [59-12-2213](#);
- 46 (b) .30% under Section [59-12-2215](#); or
- 47 (c) .30% under Section [59-12-2216](#).

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

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

- 54 (I) Section [59-12-2213](#);
- 55 (II) Section [59-12-2215](#); or
- 56 (III) Section [59-12-2216](#);

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

59 (I) Section 59-12-2213;
60 (II) Section 59-12-2215; or
61 (III) Section 59-12-2216; or
62 (C) for the unincorporated area of the county of the first or second class, the highest tax
63 rate imposed within that unincorporated area under:

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

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

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

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

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

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

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

83 (6) The commission shall distribute the revenues the state collects from the sales and
84 use tax under this part, after subtracting amounts a seller retains in accordance with Section
85 59-12-108, to the public transit districts within the cities, towns, and unincorporated areas:

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

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

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

91 **59-12-2213. County, city, or town option sales and use tax to fund a system for**
92 **public transit -- Base -- Rate.**

93 (1) As used in this section, "qualified city or town" means a city or town that is:

94 (a) located within a county that is not annexed into a public transit district as defined in
95 Section [17B-1-102](#); and

96 (b) annexed into a public transit district as defined in Section [17B-1-102](#).

97 ~~[(1) Subject]~~ (2) Except as provided in Subsection (3) and subject to the other
98 provisions of this part, a county, city, or town may impose a sales and use tax under this section
99 of up to:

100 (a) for a county, city, or town other than a county, city, or town described in Subsection
101 ~~[(1)]~~ ~~(2)~~(b), .25% on the transactions described in Subsection [59-12-103](#)(1) located within the
102 county, city, or town to fund a system for public transit; or

103 (b) for a county, city, or town within which a tax is not imposed under Section
104 [59-12-2216](#), .30% on the transactions described in Subsection [59-12-103](#)(1) located within the
105 county, city, or town, to fund a system for public transit.

106 ~~[(2) Notwithstanding Section [59-12-2208](#), a county, city, or town legislative body is~~
107 ~~not required to submit an opinion question to the county's, city's, or town's registered voters in~~
108 ~~accordance with Section [59-12-2208](#) to impose a sales and use tax under this section if the~~
109 ~~county, city, or town imposes the sales and use tax under Section [59-12-2216](#) on or before July~~
110 ~~1, 2011.]~~

111 (3) Subject to Subsection (4), a county or a qualified city or town may impose a sales
112 and use tax under this section:

113 (a) of up to the sum of:

114 (i) the maximum rate the county or qualified city or town is allowed to impose under
115 Subsection (2); and

116 (ii) .20%; and

117 (b) to fund a system for public transit.

118 (4) A county or a qualified city or town that imposes a tax described in Subsection (3)
119 may not expend more than the revenue collected from the maximum tax rate the county is
120 allowed to impose under Subsection (2) to pay:

121 (a) the costs of a project relating to the construction or extension of a fixed guideway
122 that uses and occupies rail; or

123 (b) principal, interest, and issuance costs of bonds used in conjunction with a project
124 relating to the construction or extension of a fixed guideway that uses and occupies rail.

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

126 **59-12-2214. County, city, or town option sales and use tax to fund a system for**
127 **public transit, an airport facility, or to be deposited into the County of the First Class**
128 **State Highway Projects Fund -- Base -- Rate -- Voter approval exception.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

164 Section 4. **Repealer.**

165 This bill repeals:

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

167 Section 5. **Effective date.**

168 This bill takes effect on July 1, 2015.

Legislative Review Note
as of 2-13-15 10:43 AM

Office of Legislative Research and General Counsel