

**SALES TAX AMENDMENTS**

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor: Steve Eliason

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**LONG TITLE**

**General Description:**

This bill amends the general state sales and use tax rate.

**Highlighted Provisions:**

This bill:

- ▶ lowers the rate of the state sales and use tax on items other than:
  - food;
  - food ingredients; and
  - residential fuel; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**35A-8-308**, as last amended by Laws of Utah 2017, Chapters 181 and 421

**35A-8-309**, as last amended by Laws of Utah 2017, Chapters 181 and 421

**59-12-103**, as amended by Statewide Initiative -- Proposition 3, Nov. 6, 2018

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



28 Section 1. Section 35A-8-308 is amended to read:

29 **35A-8-308. Throughput Infrastructure Fund.**

- 30 (1) There is created an enterprise fund known as the Throughput Infrastructure Fund.
- 31 (2) The fund consists of money generated from the following revenue sources:
- 32 (a) all amounts transferred to the fund [~~under Subsection 59-12-103(12)~~] by statute;
- 33 (b) any voluntary contributions received;
- 34 (c) appropriations made to the fund by the Legislature; and
- 35 (d) all amounts received from the repayment of loans made by the impact board under

36 Section 35A-8-309.

- 37 (3) The state treasurer shall:
- 38 (a) invest the money in the fund by following the procedures and requirements of Title
- 39 51, Chapter 7, State Money Management Act; and
- 40 (b) deposit all interest or other earnings derived from those investments into the fund.

41 Section 2. Section 35A-8-309 is amended to read:

42 **35A-8-309. Throughput Infrastructure Fund administered by impact board --**  
43 **Uses -- Review by board -- Annual report.**

- 44 (1) The impact board shall:
- 45 (a) make grants and loans from the Throughput Infrastructure Fund created in Section
- 46 35A-8-308 for a throughput infrastructure project;
- 47 (b) use money transferred to the Throughput Infrastructure Fund [~~in accordance with~~
- 48 ~~Subsection 59-12-103(12)~~] by statute to provide a loan or grant to finance the cost of
- 49 acquisition or construction of a throughput infrastructure project to one or more local political
- 50 subdivisions, including a Utah interlocal entity created under Title 11, Chapter 13, Interlocal
- 51 Cooperation Act;
- 52 (c) administer the Throughput Infrastructure Fund in a manner that will keep a portion
- 53 of the fund revolving;
- 54 (d) determine provisions for repayment of loans;
- 55 (e) establish criteria for awarding loans and grants; and
- 56 (f) establish criteria for determining eligibility for assistance under this section.

57 (2) The cost of acquisition or construction of a throughput infrastructure project  
58 includes amounts for working capital, reserves, transaction costs, and other amounts

59 determined by the impact board to be allocable to a throughput infrastructure project.

60 (3) The impact board may restructure or forgive all or part of a local political  
61 subdivision's or interlocal entity's obligation to repay loans for extenuating circumstances.

62 (4) In order to receive assistance under this section, a local political subdivision or an  
63 interlocal entity shall submit a formal application containing the information that the impact  
64 board requires.

65 (5) (a) The impact board shall:

66 (i) review the proposed uses of the Throughput Infrastructure Fund for a loan or grant  
67 before approving the loan or grant and may condition its approval on whatever assurances the  
68 impact board considers necessary to ensure that proceeds of the loan or grant will be used in  
69 accordance with this section;

70 (ii) ensure that each loan specifies terms for interest deferments, accruals, and  
71 scheduled principal repayment; and

72 (iii) ensure that repayment terms are evidenced by bonds, notes, or other obligations of  
73 the appropriate local political subdivision or interlocal entity issued to the impact board and  
74 payable from the net revenues of a throughput infrastructure project.

75 (b) An instrument described in Subsection (5)(a)(iii) may be:

76 (i) non-recourse to the local political subdivision or interlocal entity; and

77 (ii) limited to a pledge of the net revenues from a throughput infrastructure project.

78 (6) (a) Subject to the restriction in Subsection (6)(b), the impact board shall allocate  
79 from the Throughput Infrastructure Fund to the board those amounts that are appropriated by  
80 the Legislature for the administration of the Throughput Infrastructure Fund.

81 (b) The amount described in Subsection (6)(a) may not exceed 2% of the annual  
82 receipts to the fund.

83 (7) The board shall include in the annual written report described in Section

84 [35A-1-109](#):

85 (a) the number and type of loans and grants made under this section; and

86 (b) a list of local political subdivisions or interlocal entities that received assistance  
87 under this section.

88 Section 3. Section **59-12-103** is amended to read:

89 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**

90 **tax revenue.**

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

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

94 (b) amounts paid for:

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

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

100 (iii) an ancillary service associated with a:

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

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

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

104 (i) gas;

105 (ii) electricity;

106 (iii) heat;

107 (iv) coal;

108 (v) fuel oil; or

109 (vi) other fuels;

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

111 (i) gas;

112 (ii) electricity;

113 (iii) heat;

114 (iv) coal;

115 (v) fuel oil; or

116 (vi) other fuels;

117 (e) sales of prepared food;

118 (f) except as provided in Section [59-12-104](#), amounts paid or charged as admission or  
119 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,  
120 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,

121 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit  
122 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf  
123 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,  
124 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,  
125 horseback rides, sports activities, or any other amusement, entertainment, recreation,  
126 exhibition, cultural, or athletic activity;

127 (g) amounts paid or charged for services for repairs or renovations of tangible personal  
128 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

129 (i) the tangible personal property; and

130 (ii) parts used in the repairs or renovations of the tangible personal property described  
131 in Subsection (1)(g)(i), regardless of whether:

132 (A) any parts are actually used in the repairs or renovations of that tangible personal  
133 property; or

134 (B) the particular parts used in the repairs or renovations of that tangible personal  
135 property are exempt from a tax under this chapter;

136 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for  
137 assisted cleaning or washing of tangible personal property;

138 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court  
139 accommodations and services that are regularly rented for less than 30 consecutive days;

140 (j) amounts paid or charged for laundry or dry cleaning services;

141 (k) amounts paid or charged for leases or rentals of tangible personal property if within  
142 this state the tangible personal property is:

143 (i) stored;

144 (ii) used; or

145 (iii) otherwise consumed;

146 (l) amounts paid or charged for tangible personal property if within this state the  
147 tangible personal property is:

148 (i) stored;

149 (ii) used; or

150 (iii) consumed; and

151 (m) amounts paid or charged for a sale:

152 (i) (A) of a product transferred electronically; or  
153 (B) of a repair or renovation of a product transferred electronically; and  
154 (ii) regardless of whether the sale provides:  
155 (A) a right of permanent use of the product; or  
156 (B) a right to use the product that is less than a permanent use, including a right:  
157 (I) for a definite or specified length of time; and  
158 (II) that terminates upon the occurrence of a condition.  
159 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax  
160 is imposed on a transaction described in Subsection (1) equal to the sum of:  
161 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:  
162 [~~(A) (I) through March 31, 2019, 4.70%; and~~]  
163 [~~(H) (A) [beginning on April 1, 2019, 4.70%~~ 4.45% plus the rate specified in  
164 Subsection [~~(14)~~ (12)](a); and  
165 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales  
166 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
167 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional  
168 State Sales and Use Tax Act; and  
169 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales  
170 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
171 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state  
172 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and  
173 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
174 transaction under this chapter other than this part.  
175 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed  
176 on a transaction described in Subsection (1)(d) equal to the sum of:  
177 (i) a state tax imposed on the transaction at a tax rate of 2%; and  
178 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
179 transaction under this chapter other than this part.  
180 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed  
181 on amounts paid or charged for food and food ingredients equal to the sum of:  
182 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at

183 a tax rate of 1.75%; and  
184 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
185 amounts paid or charged for food and food ingredients under this chapter other than this part.  
186 (d) (i) For a bundled transaction that is attributable to food and food ingredients and  
187 tangible personal property other than food and food ingredients, a state tax and a local tax is  
188 imposed on the entire bundled transaction equal to the sum of:  
189 (A) a state tax imposed on the entire bundled transaction equal to the sum of:  
190 (I) the tax rate described in Subsection (2)(a)(i)(A); and  
191 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
192 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
193 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
194 Additional State Sales and Use Tax Act; and  
195 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
196 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
197 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
198 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and  
199 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates  
200 described in Subsection (2)(a)(ii).  
201 (ii) If an optional computer software maintenance contract is a bundled transaction that  
202 consists of taxable and nontaxable products that are not separately itemized on an invoice or  
203 similar billing document, the purchase of the optional computer software maintenance contract  
204 is 40% taxable under this chapter and 60% nontaxable under this chapter.  
205 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled  
206 transaction described in Subsection (2)(d)(i) or (ii):  
207 (A) if the sales price of the bundled transaction is attributable to tangible personal  
208 property, a product, or a service that is subject to taxation under this chapter and tangible  
209 personal property, a product, or service that is not subject to taxation under this chapter, the  
210 entire bundled transaction is subject to taxation under this chapter unless:  
211 (I) the seller is able to identify by reasonable and verifiable standards the tangible  
212 personal property, product, or service that is not subject to taxation under this chapter from the  
213 books and records the seller keeps in the seller's regular course of business; or

214 (II) state or federal law provides otherwise; or

215 (B) if the sales price of a bundled transaction is attributable to two or more items of  
216 tangible personal property, products, or services that are subject to taxation under this chapter  
217 at different rates, the entire bundled transaction is subject to taxation under this chapter at the  
218 higher tax rate unless:

219 (I) the seller is able to identify by reasonable and verifiable standards the tangible  
220 personal property, product, or service that is subject to taxation under this chapter at the lower  
221 tax rate from the books and records the seller keeps in the seller's regular course of business; or

222 (II) state or federal law provides otherwise.

223 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the  
224 seller's regular course of business includes books and records the seller keeps in the regular  
225 course of business for nontax purposes.

226 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)  
227 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
228 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
229 of tangible personal property, other property, a product, or a service that is not subject to  
230 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
231 the seller, at the time of the transaction:

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

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

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

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

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



245 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps  
246 in the seller's regular course of business includes books and records the seller keeps in the  
247 regular course of business for nontax purposes.

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

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

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

257 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the  
258 seller's regular course of business includes books and records the seller keeps in the regular  
259 course of business for nontax purposes.

260 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax  
261 rate imposed under the following shall take effect on the first day of a calendar quarter:

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

263 (ii) Subsection (2)(b)(i);

264 (iii) Subsection (2)(c)(i); or

265 (iv) Subsection (2)(d)(i)(A)(I).

266 (h) (i) A tax rate increase takes effect on the first day of the first billing period that  
267 begins on or after the effective date of the tax rate increase if the billing period for the  
268 transaction begins before the effective date of a tax rate increase imposed under:

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

270 (B) Subsection (2)(b)(i);

271 (C) Subsection (2)(c)(i); or

272 (D) Subsection (2)(d)(i)(A)(I).

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

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

277 (B) Subsection (2)(b)(i);

278 (C) Subsection (2)(c)(i); or

279 (D) Subsection (2)(d)(i)(A)(I).

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

283 (A) on the first day of a calendar quarter; and

284 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

285 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:

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

287 (B) Subsection (2)(b)(i);

288 (C) Subsection (2)(c)(i); or

289 (D) Subsection (2)(d)(i)(A)(I).

290 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
291 the commission may by rule define the term "catalogue sale."

292 (3) (a) The following state taxes shall be deposited into the General Fund:

293 (i) the tax imposed by Subsection (2)(a)(i)(A);

294 (ii) the tax imposed by Subsection (2)(b)(i);

295 (iii) the tax imposed by Subsection (2)(c)(i); or

296 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

297 (b) The following local taxes shall be distributed to a county, city, or town as provided  
298 in this chapter:

299 (i) the tax imposed by Subsection (2)(a)(ii);

300 (ii) the tax imposed by Subsection (2)(b)(ii);

301 (iii) the tax imposed by Subsection (2)(c)(ii); and

302 (iv) the tax imposed by Subsection (2)(d)(i)(B).

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 Subsections (4)(b)  
305 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 dedicated credits to the  
312 Department of Natural Resources to:

313 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to  
314 protect sensitive plant and animal species; or

315 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
316 act, to political subdivisions of the state to implement the measures described in Subsections  
317 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

318 (ii) Money transferred to the Department of Natural Resources under Subsection  
319 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other  
320 person to list or attempt to have listed a species as threatened or endangered under the  
321 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

322 (iii) At the end of each fiscal year:

323 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
324 Conservation and Development Fund created in Section 73-10-24;

325 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
326 Program Subaccount created in Section 73-10c-5; and

327 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
328 Program Subaccount created in Section 73-10c-5.

329 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
330 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund  
331 created in Section 4-18-106.

332 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described  
333 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water  
334 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of  
335 water rights.

336 (ii) At the end of each fiscal year:

337 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources

338 Conservation and Development Fund created in Section 73-10-24;

339 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan

340 Program Subaccount created in Section 73-10c-5; and

341 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan

342 Program Subaccount created in Section 73-10c-5.

343 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described

344 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and

345 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

346 (ii) In addition to the uses allowed of the Water Resources Conservation and

347 Development Fund under Section 73-10-24, the Water Resources Conservation and

348 Development Fund may also be used to:

349 (A) conduct hydrologic and geotechnical investigations by the Division of Water

350 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of

351 quantifying surface and ground water resources and describing the hydrologic systems of an

352 area in sufficient detail so as to enable local and state resource managers to plan for and

353 accommodate growth in water use without jeopardizing the resource;

354 (B) fund state required dam safety improvements; and

355 (C) protect the state's interest in interstate water compact allocations, including the

356 hiring of technical and legal staff.

357 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described

358 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount

359 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

360 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described

361 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount

362 created in Section 73-10c-5 for use by the Division of Drinking Water to:

363 (i) provide for the installation and repair of collection, treatment, storage, and

364 distribution facilities for any public water system, as defined in Section 19-4-102;

365 (ii) develop underground sources of water, including springs and wells; and

366 (iii) develop surface water sources.

367 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,

368 2006, the difference between the following amounts shall be expended as provided in this

369 Subsection (5), if that difference is greater than \$1:

370 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the  
371 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

372 (ii) \$17,500,000.

373 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

374 (A) transferred each fiscal year to the Department of Natural Resources as dedicated  
375 credits; and

376 (B) expended by the Department of Natural Resources for watershed rehabilitation or  
377 restoration.

378 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
379 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund  
380 created in Section 73-10-24.

381 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the  
382 remaining difference described in Subsection (5)(a) shall be:

383 (A) transferred each fiscal year to the Division of Water Resources as dedicated  
384 credits; and

385 (B) expended by the Division of Water Resources for cloud-seeding projects  
386 authorized by Title 73, Chapter 15, Modification of Weather.

387 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
388 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund  
389 created in Section 73-10-24.

390 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the  
391 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
392 Resources Conservation and Development Fund created in Section 73-10-24 for use by the  
393 Division of Water Resources for:

394 (i) preconstruction costs:

395 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
396 26, Bear River Development Act; and

397 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project  
398 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

399 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,

400 Chapter 26, Bear River Development Act;

401 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project  
402 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

403 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and  
404 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

405 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to  
406 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be  
407 transferred each year as dedicated credits to the Division of Water Rights to cover the costs  
408 incurred for employing additional technical staff for the administration of water rights.

409 (f) At the end of each fiscal year, any unexpended dedicated credits described in  
410 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development  
411 Fund created in Section 73-10-24.

412 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the  
413 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection  
414 (1) for the fiscal year shall be deposited as follows:

415 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)  
416 shall be deposited into the Transportation Investment Fund of 2005 created by Section  
417 72-2-124;

418 (b) for fiscal year 2017-18 only:

419 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the  
420 Transportation Investment Fund of 2005 created by Section 72-2-124; and

421 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the  
422 Water Infrastructure Restricted Account created by Section 73-10g-103;

423 (c) for fiscal year 2018-19 only:

424 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the  
425 Transportation Investment Fund of 2005 created by Section 72-2-124; and

426 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the  
427 Water Infrastructure Restricted Account created by Section 73-10g-103;

428 (d) for fiscal year 2019-20 only:

429 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the  
430 Transportation Investment Fund of 2005 created by Section 72-2-124; and

431 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the  
432 Water Infrastructure Restricted Account created by Section 73-10g-103;

433 (e) for fiscal year 2020-21 only:

434 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the  
435 Transportation Investment Fund of 2005 created by Section 72-2-124; and

436 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the  
437 Water Infrastructure Restricted Account created by Section 73-10g-103; and

438 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described  
439 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account  
440 created by Section 73-10g-103.

441 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in  
442 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,  
443 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005  
444 created by Section 72-2-124:

445 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of  
446 the revenues collected from the following taxes, which represents a portion of the  
447 approximately 17% of sales and use tax ~~[revenues]~~ revenue generated annually by the sales and  
448 use tax on vehicles and vehicle-related products:

449 (A) the tax imposed by Subsection (2)(a)(i)(A) at a ~~[4.7%]~~ 4.45% rate;

450 (B) the tax imposed by Subsection (2)(b)(i);

451 (C) the tax imposed by Subsection (2)(c)(i); and

452 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

453 (ii) an amount equal to 30% of the growth in the amount of ~~[revenues]~~ revenue  
454 collected in the current fiscal year from the sales and use taxes described in Subsections  
455 (7)(a)(i)(A) through (D) that exceeds the amount collected from the sales and use taxes  
456 described in Subsections (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

457 (b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of  
458 the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total  
459 lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)  
460 generated in the current fiscal year than the total percentage of sales and use taxes deposited in  
461 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection

462 (7)(a) equal to the product of:

463 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the  
464 previous fiscal year; and

465 (B) the total sales and use tax revenue generated by the taxes described in Subsections  
466 (7)(a)(i)(A) through (D) in the current fiscal year.

467 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under  
468 Subsection (7)(a) would exceed 17% of the ~~[revenues]~~ revenue collected from the sales and use  
469 taxes described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division  
470 of Finance shall deposit 17% of the ~~[revenues]~~ revenue collected from the sales and use taxes  
471 described in Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection  
472 (7)(a).

473 (iii) In all subsequent fiscal years after a year in which 17% of the ~~[revenues]~~ revenue  
474 collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was  
475 deposited under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the  
476 ~~[revenues]~~ revenue collected from the sales and use taxes described in Subsections (7)(a)(i)(A)  
477 through (D) in the current fiscal year under Subsection (7)(a).

478 (8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited  
479 under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall  
480 deposit \$64,000,000 of the ~~[revenues]~~ revenue generated by the taxes listed under Subsection  
481 (3)(a) into the Transportation Investment Fund of 2005 created by Section [72-2-124](#).

482 (b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under  
483 Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit  
484 \$63,000,000 of the ~~[revenues]~~ revenue generated by the taxes listed under Subsection (3)(a)  
485 into the Transportation Investment Fund of 2005 created by Section [72-2-124](#).

486 (c) (i) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under  
487 Subsections (6) and (7), and subject to Subsection (8)(c)(ii), for a fiscal year beginning on or  
488 after July 1, 2018, the commission shall ~~[annually]~~ deposit annually into the Transportation  
489 Investment Fund of 2005 created by Section [72-2-124](#) a portion of the taxes listed under  
490 Subsection (3)(a) in an amount equal to 3.68% of the ~~[revenues]~~ revenue collected from the  
491 following taxes:

492 (A) the tax imposed by Subsection (2)(a)(i)(A) at a ~~[4.7%]~~ 4.45% rate;



- 493 (B) the tax imposed by Subsection (2)(b)(i);  
494 (C) the tax imposed by Subsection (2)(c)(i); and  
495 (D) the tax imposed by Subsection (2)(d)(i)(A)(I).

496 (ii) For a fiscal year beginning on or after July 1, 2019, the commission shall [~~annually~~]  
497 reduce annually the deposit into the Transportation Investment Fund of 2005 under Subsection  
498 (8)(c)(i) by an amount that is equal to 35% of the amount of revenue generated in the current  
499 fiscal year by the portion of the tax imposed on motor and special fuel that is sold, used, or  
500 received for sale or use in this state that exceeds 29.4 cents per gallon.

501 (iii) The commission shall [~~annually~~] deposit annually the amount described in  
502 Subsection (8)(c)(ii) into the Transit and Transportation Investment Fund created in Section  
503 [72-2-124](#).

504 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
505 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
506 created by Section [35A-8-1009](#) and expended as provided in Section [35A-8-1009](#).

507 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c),  
508 in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17  
509 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund  
510 of 2005 created by Section [72-2-124](#) the amount of tax revenue generated by a .05% tax rate on  
511 the transactions described in Subsection (1).

512 (b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in  
513 addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance  
514 shall deposit into the Transportation Investment Fund of 2005 created by Section [72-2-124](#) the  
515 amount of revenue described as follows:

516 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%  
517 tax rate on the transactions described in Subsection (1);

518 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%  
519 tax rate on the transactions described in Subsection (1);

520 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%  
521 tax rate on the transactions described in Subsection (1);

522 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a  
523 .05% tax rate on the transactions described in Subsection (1); and

524 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%  
525 tax rate on the transactions described in Subsection (1).

526 (c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not  
527 deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts  
528 paid or charged for food and food ingredients, except for tax revenue generated by a bundled  
529 transaction attributable to food and food ingredients and tangible personal property other than  
530 food and food ingredients described in Subsection (2)(d).

531 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the  
532 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that  
533 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of  
534 Finance shall, for two consecutive fiscal years, [annually] deposit annually \$1,900,000 of the  
535 revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation  
536 Fund, created in Section 63N-2-512.

537 [~~(12) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the~~  
538 ~~Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed~~  
539 ~~under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section~~  
540 ~~35A-8-308.~~]

541 [~~(b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division~~  
542 ~~of Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under~~  
543 ~~Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.~~]

544 [~~(13) Notwithstanding Subsections (4) through (12) and (14), an amount required to be~~  
545 ~~expended or deposited in accordance with Subsections (4) through (12) and (14) may not~~  
546 ~~include an amount the Division of Finance deposits in accordance with Section 59-12-103.2.~~]

547 [~~(14)~~] (12) (a) The rate specified in this subsection is 0.15%.

548 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall:

549 (i) on or before September 30, 2019, transfer the amount of revenue generated by a  
550 0.15% tax rate imposed beginning on April 1, 2019, and ending on June 30, 2019, on the  
551 transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) as dedicated  
552 credits to the Division of Health Care Financing ~~§~~ → [; created in Section 26-18-2.1] ← ~~§~~ ; and

553 (ii) for a fiscal year beginning on or after fiscal year 2019-20, annually transfer the  
554 amount of revenue generated by a 0.15% tax rate on the transactions that are subject to the

555 sales and use tax under Subsection (2)(a)(i)(A) as dedicated credits to the Division of Health  
556 Care Financing.

557 (c) The revenue described in Subsection [~~(14)~~] (12)(b) that the Division of Finance  
558 transfers to the Division of Health Care Financing as dedicated credits shall be expended for  
559 the following uses:

560 (i) implementation of the Medicaid expansion described in [~~Sections~~] Subsections  
561 26-18-3.1(4) and 26-18-3.9(2)(b);

562 (ii) if revenue remains after the use specified in Subsection [~~(14)~~] (12)(c)(i), other  
563 measures required by Section 26-18-3.9; and

564 (iii) if revenue remains after the uses specified in Subsections [~~(14)~~] (12)(c)(i) and (ii),  
565 other measures described in Title 26, Chapter 18, Medical Assistance Act.

566 Section 4. **Effective date.**

567 This bill takes effect on July 1, 2019.