

Vehicle Assessment Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Clinton D. Okerlund1
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LONG TITLE**General Description:**

This bill addresses vehicle weights relating to uniform fees in lieu of property tax.

Highlighted Provisions:

This bill:

- modifies the weight at which a motor vehicle qualifies for a statewide uniform fee in lieu of the property tax; and
- defines terms.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

59-2-102 (Effective 05/07/25) (Applies beginning 01/01/25), as last amended by Laws of Utah 2024, Chapter 53

59-2-103 (Effective 05/07/25) (Applies beginning 01/01/25), as last amended by Laws of Utah 2024, Chapter 253

59-2-103.5 (Effective 05/07/25) (Applies beginning 01/01/25), as last amended by Laws of Utah 2024, Chapter 253

59-2-405 (Effective 05/07/25) (Applies beginning 01/01/25), as last amended by Laws of Utah 2008, Chapter 210

59-2-405.1 (Effective 05/07/25) (Applies beginning 01/01/25), as last amended by Laws of Utah 2012, Chapter 397

59-2-804 (Effective 05/07/25) (Applies beginning 01/01/25), as last amended by Laws of Utah 2020, Chapter 38

59-7-302 (Effective 05/07/25) (Applies beginning 01/01/25), as last amended by Laws of Utah 2022, Chapter 228

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

32 Section 1. Section **59-2-102** is amended to read:

33 **59-2-102 (Effective 05/07/25) (Applies beginning 01/01/25). Definitions.**

34 As used in this chapter:

- 35 (1)(a) "Acquisition cost" means any cost required to put an item of tangible personal
36 property into service.
- 37 (b) "Acquisition cost" includes:
- 38 (i) the purchase price of a new or used item;
- 39 (ii) the cost of freight, shipping, loading at origin, unloading at destination, crating,
40 skidding, or any other applicable cost of shipping;
- 41 (iii) the cost of installation, engineering, rigging, erection, or assembly, including
42 foundations, pilings, utility connections, or similar costs; and
- 43 (iv) sales and use taxes.
- 44 (2) "Aerial applicator" means aircraft or rotorcraft used exclusively for the purpose of
45 engaging in dispensing activities directly affecting agriculture or horticulture with an
46 airworthiness certificate from the Federal Aviation Administration certifying the aircraft
47 or rotorcraft's use for agricultural and pest control purposes.
- 48 (3) "Air charter service" means an air carrier operation that requires the customer to hire an
49 entire aircraft rather than book passage in whatever capacity is available on a scheduled
50 trip.
- 51 (4) "Air contract service" means an air carrier operation available only to customers that
52 engage the services of the carrier through a contractual agreement and excess capacity
53 on any trip and is not available to the public at large.
- 54 (5) "Aircraft" means the same as that term is defined in Section 72-10-102.
- 55 (6)(a) Except as provided in Subsection (6)(b), "airline" means an air carrier that:
- 56 (i) operates:
- 57 (A) on an interstate route; and
- 58 (B) on a scheduled basis; and
- 59 (ii) offers to fly one or more passengers or cargo on the basis of available capacity on
60 a regularly scheduled route.
- 61 (b) "Airline" does not include an:
- 62 (i) air charter service; or
- 63 (ii) air contract service.
- 64 (7) "Assessment roll" or "assessment book" means a permanent record of the assessment of

65 property as assessed by the county assessor and the commission and may be maintained
66 manually or as a computerized file as a consolidated record or as multiple records by
67 type, classification, or categories.

68 (8) "Base parcel" means a parcel of property that was legally:

69 (a) subdivided into two or more lots, parcels, or other divisions of land; or

70 (b)(i) combined with one or more other parcels of property; and

71 (ii) subdivided into two or more lots, parcels, or other divisions of land.

72 (9)(a) "Certified revenue levy" means a property tax levy that provides an amount of ad
73 valorem property tax revenue equal to the sum of:

74 (i) the amount of ad valorem property tax revenue to be generated statewide in the
75 previous year from imposing a multicounty assessing and collecting levy, as
76 specified in Section 59-2-1602; and

77 (ii) the product of:

78 (A) eligible new growth, as defined in Section 59-2-924; and

79 (B) the multicounty assessing and collecting levy certified by the commission for
80 the previous year.

81 (b) For purposes of this Subsection (9), "ad valorem property tax revenue" does not
82 include property tax revenue received by a taxing entity from personal property that
83 is:

84 (i) assessed by a county assessor in accordance with Part 3, County Assessment; and

85 (ii) semiconductor manufacturing equipment.

86 (c) For purposes of calculating the certified revenue levy described in this Subsection
87 (9), the commission shall use:

88 (i) the taxable value of real property assessed by a county assessor contained on the
89 assessment roll;

90 (ii) the taxable value of real and personal property assessed by the commission; and

91 (iii) the taxable year end value of personal property assessed by a county assessor
92 contained on the prior year's assessment roll.

93 (10) "County-assessed commercial vehicle" means:

94 (a) any commercial vehicle, trailer, or semitrailer that is not apportioned under Section
95 41-1a-301 and is not operated interstate to transport the vehicle owner's goods or
96 property in furtherance of the owner's commercial enterprise;

97 (b) any passenger vehicle owned by a business and used by its employees for
98 transportation as a company car or vanpool vehicle; and

- 99 (c) vehicles that are:
- 100 (i) especially constructed for towing or wrecking, and that are not otherwise used to
- 101 transport goods, merchandise, or people for compensation;
- 102 (ii) used or licensed as taxicabs or limousines;
- 103 (iii) used as rental passenger cars, travel trailers, or motor homes;
- 104 (iv) used or licensed in this state for use as ambulances or hearses;
- 105 (v) especially designed and used for garbage and rubbish collection; or
- 106 (vi) used exclusively to transport students or their instructors to or from any private,
- 107 public, or religious school or school activities.
- 108 (11) "Eligible judgment" means a final and unappealable judgment or order under Section
- 109 59-2-1330:
- 110 (a) that became a final and unappealable judgment or order no more than 14 months
- 111 before the day on which the notice described in Section 59-2-919.1 is required to be
- 112 provided; and
- 113 (b) for which a taxing entity's share of the final and unappealable judgment or order is
- 114 greater than or equal to the lesser of:
- 115 (i) \$5,000; or
- 116 (ii) 2.5% of the total ad valorem property taxes collected by the taxing entity in the
- 117 previous fiscal year.
- 118 (12)(a) "Escaped property" means any property, whether personal, land, or any
- 119 improvements to the property, that is subject to taxation and is:
- 120 (i) inadvertently omitted from the tax rolls, assigned to the incorrect parcel, or
- 121 assessed to the wrong taxpayer by the assessing authority;
- 122 (ii) undervalued or omitted from the tax rolls because of the failure of the taxpayer to
- 123 comply with the reporting requirements of this chapter; or
- 124 (iii) undervalued because of errors made by the assessing authority based upon
- 125 incomplete or erroneous information furnished by the taxpayer.
- 126 (b) "Escaped property" does not include property that is undervalued because of the use
- 127 of a different valuation methodology or because of a different application of the same
- 128 valuation methodology.
- 129 (13)(a) "Fair market value" means the amount at which property would change hands
- 130 between a willing buyer and a willing seller, neither being under any compulsion to
- 131 buy or sell and both having reasonable knowledge of the relevant facts.
- 132 (b) For purposes of taxation, "fair market value" shall be determined using the current

133 zoning laws applicable to the property in question, except in cases where there is a
134 reasonable probability of a change in the zoning laws affecting that property in the
135 tax year in question and the change would have an appreciable influence upon the
136 value.

137 (14) "Geothermal fluid" means water in any form at temperatures greater than 120 degrees
138 centigrade naturally present in a geothermal system.

139 (15) "Geothermal resource" means:

140 (a) the natural heat of the earth at temperatures greater than 120 degrees centigrade; and

141 (b) the energy, in whatever form, including pressure, present in, resulting from, created
142 by, or which may be extracted from that natural heat, directly or through a material
143 medium.

144 (16)(a) "Goodwill" means:

145 (i) acquired goodwill that is reported as goodwill on the books and records that a
146 taxpayer maintains for financial reporting purposes; or

147 (ii) the ability of a business to:

148 (A) generate income that exceeds a normal rate of return on assets and that results
149 from a factor described in Subsection (16)(b); or

150 (B) obtain an economic or competitive advantage resulting from a factor described
151 in Subsection (16)(b).

152 (b) The following factors apply to Subsection (16)(a)(ii):

153 (i) superior management skills;

154 (ii) reputation;

155 (iii) customer relationships;

156 (iv) patronage; or

157 (v) a factor similar to Subsections (16)(b)(i) through (iv).

158 (c) "Goodwill" does not include:

159 (i) the intangible property described in Subsection [~~(19)(a) or (b);~~] (20)(a) or (b);

160 (ii) locational attributes of real property, including:

161 (A) zoning;

162 (B) location;

163 (C) view;

164 (D) a geographic feature;

165 (E) an easement;

166 (F) a covenant;

- 167 (G) proximity to raw materials;
- 168 (H) the condition of surrounding property; or
- 169 (I) proximity to markets;
- 170 (iii) value attributable to the identification of an improvement to real property,
- 171 including:
- 172 (A) reputation of the designer, builder, or architect of the improvement;
- 173 (B) a name given to, or associated with, the improvement; or
- 174 (C) the historic significance of an improvement; or
- 175 (iv) the enhancement or assemblage value specifically attributable to the interrelation
- 176 of the existing tangible property in place working together as a unit.
- 177 (17) "Governing body" means:
- 178 (a) for a county, city, or town, the legislative body of the county, city, or town;
- 179 (b) for a special district under Title 17B, Limited Purpose Local Government Entities -
- 180 Special Districts, the special district's board of trustees;
- 181 (c) for a school district, the local board of education;
- 182 (d) for a special service district under Title 17D, Chapter 1, Special Service District Act:
- 183 (i) the legislative body of the county or municipality that created the special service
- 184 district, to the extent that the county or municipal legislative body has not
- 185 delegated authority to an administrative control board established under Section
- 186 17D-1-301; or
- 187 (ii) the administrative control board, to the extent that the county or municipal
- 188 legislative body has delegated authority to an administrative control board
- 189 established under Section 17D-1-301; or
- 190 (e) for a public infrastructure district under Title 17D, Chapter 4, Public Infrastructure
- 191 District Act, the public infrastructure district's board of trustees.
- 192 (18) "Gross vehicle weight rating" means the maximum gross vehicle weight rating as
- 193 reported by the manufacturer of the motor vehicle for the vehicle identification number.
- 194 ~~[(18)]~~ (19)(a) Except as provided in Subsection ~~[(18)(e)]~~ (19)(c), "improvement" means a
- 195 building, structure, fixture, fence, or other item that is permanently attached to land,
- 196 regardless of whether the title has been acquired to the land, if:
- 197 (i)(A) attachment to land is essential to the operation or use of the item; and
- 198 (B) the manner of attachment to land suggests that the item will remain attached to
- 199 the land in the same place over the useful life of the item; or
- 200 (ii) removal of the item would:

- 201 (A) cause substantial damage to the item; or
202 (B) require substantial alteration or repair of a structure to which the item is
203 attached.
- 204 (b) "Improvement" includes:
- 205 (i) an accessory to an item described in Subsection [~~(18)(a)~~] (19)(a) if the accessory is:
206 (A) essential to the operation of the item described in Subsection [~~(18)(a)~~] (19)(a);
207 and
208 (B) installed solely to serve the operation of the item described in Subsection [
209 ~~(18)(a)~~] (19)(a); and
- 210 (ii) an item described in Subsection [~~(18)(a)~~] (19)(a) that is temporarily detached from
211 the land for repairs and remains located on the land.
- 212 (c) "Improvement" does not include:
- 213 (i) an item considered to be personal property pursuant to rules made in accordance
214 with Section 59-2-107;
- 215 (ii) a moveable item that is attached to land for stability only or for an obvious
216 temporary purpose;
- 217 (iii)(A) manufacturing equipment and machinery; or
218 (B) essential accessories to manufacturing equipment and machinery;
- 219 (iv) an item attached to the land in a manner that facilitates removal without
220 substantial damage to the land or the item; or
- 221 (v) a transportable factory-built housing unit as defined in Section 59-2-1502 if that
222 transportable factory-built housing unit is considered to be personal property
223 under Section 59-2-1503.
- 224 [~~(19)~~] (20) "Intangible property" means:
- 225 (a) property that is capable of private ownership separate from tangible property,
226 including:
- 227 (i) money;
228 (ii) credits;
229 (iii) bonds;
230 (iv) stocks;
231 (v) representative property;
232 (vi) franchises;
233 (vii) licenses;
234 (viii) trade names;

- 235 (ix) copyrights; and
236 (x) patents;
237 (b) a low-income housing tax credit;
238 (c) goodwill; or
239 (d) a clean or renewable energy tax credit or incentive, including:
240 (i) a federal renewable energy production tax credit under Section 45, Internal
241 Revenue Code;
242 (ii) a federal energy credit for qualified renewable electricity production facilities
243 under Section 48, Internal Revenue Code;
244 (iii) a federal grant for a renewable energy property under American Recovery and
245 Reinvestment Act of 2009, Pub. L. No. 111-5, Section 1603; and
246 (iv) a tax credit under Subsection 59-7-614(5).
- 247 [~~(20)~~] (21) "Livestock" means:
248 (a) a domestic animal;
249 (b) a fish;
250 (c) a fur-bearing animal;
251 (d) a honeybee; or
252 (e) poultry.
- 253 [~~(21)~~] (22) "Low-income housing tax credit" means:
254 (a) a federal low-income housing tax credit under Section 42, Internal Revenue Code; or
255 (b) a low-income housing tax credit under Section 59-7-607 or Section 59-10-1010.
- 256 [~~(22)~~] (23) "Metalliferous minerals" includes gold, silver, copper, lead, zinc, and uranium.
- 257 [~~(23)~~] (24) "Mine" means a natural deposit of either metalliferous or nonmetalliferous
258 valuable mineral.
- 259 [~~(24)~~] (25) "Mining" means the process of producing, extracting, leaching, evaporating, or
260 otherwise removing a mineral from a mine.
- 261 [~~(25)~~] (26)(a) "Mobile flight equipment" means tangible personal property that is owned
262 or operated by an air charter service, air contract service, or airline and:
263 (i) is capable of flight or is attached to an aircraft that is capable of flight; or
264 (ii) is contained in an aircraft that is capable of flight if the tangible personal property
265 is intended to be used:
266 (A) during multiple flights;
267 (B) during a takeoff, flight, or landing; and
268 (C) as a service provided by an air charter service, air contract service, or airline.

- 269 (b)(i) "Mobile flight equipment" does not include a spare part other than a spare
270 engine that is rotated at regular intervals with an engine that is attached to the
271 aircraft.
- 272 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
273 the commission may make rules defining the term "regular intervals."
- 274 ~~[(26)]~~ (27) "Nonmetalliferous minerals" includes, but is not limited to, oil, gas, coal, salts,
275 sand, rock, gravel, and all carboniferous materials.
- 276 ~~[(27)]~~ (28) "Part-year residential property" means property that is not residential property on
277 January 1 of a calendar year but becomes residential property after January 1 of the
278 calendar year.
- 279 ~~[(28)]~~ (29) "Personal property" includes:
- 280 (a) every class of property as defined in Subsection ~~[(29)]~~ (30) that is the subject of
281 ownership and is not real estate or an improvement;
- 282 (b) any pipe laid in or affixed to land whether or not the ownership of the pipe is
283 separate from the ownership of the underlying land, even if the pipe meets the
284 definition of an improvement;
- 285 (c) bridges and ferries;
- 286 (d) livestock; and
- 287 (e) outdoor advertising structures as defined in Section 72-7-502.
- 288 ~~[(29)]~~ (30)(a) "Property" means property that is subject to assessment and taxation
289 according to its value.
- 290 (b) "Property" does not include intangible property as defined in this section.
- 291 ~~[(30)]~~ (31)(a) "Public utility" means:
- 292 (i) the operating property of a railroad, gas corporation, oil or gas transportation or
293 pipeline company, coal slurry pipeline company, electrical corporation, sewerage
294 corporation, or heat corporation where the company performs the service for, or
295 delivers the commodity to, the public generally or companies serving the public
296 generally, or in the case of a gas corporation or an electrical corporation, where
297 the gas or electricity is sold or furnished to any member or consumers within the
298 state for domestic, commercial, or industrial use; and
- 299 (ii) the operating property of any entity or person defined under Section 54-2-1
300 except water corporations.
- 301 (b) "Public utility" does not include the operating property of a telecommunications
302 service provider.

- 303 ~~[(31)]~~ (32)(a) Subject to Subsection ~~[(31)(b)]~~ (32)(b), "qualifying exempt primary
304 residential rental personal property" means household furnishings, furniture, and
305 equipment that:
- 306 (i) are used exclusively within a dwelling unit that is the primary residence of a
307 tenant;
 - 308 (ii) are owned by the owner of the dwelling unit that is the primary residence of a
309 tenant; and
 - 310 (iii) after applying the residential exemption described in Section 59-2-103, are
311 exempt from taxation under this chapter in accordance with Subsection 59-2-1115
312 (2).
- 313 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
314 commission may by rule define the term "dwelling unit" for purposes of this
315 Subsection ~~[(31)]~~ (32) and Subsection ~~[(34)]~~ (35).
- 316 ~~[(32)]~~ (33) "Real estate" or "real property" includes:
- 317 (a) the possession of, claim to, ownership of, or right to the possession of land;
 - 318 (b) all mines, minerals, and quarries in and under the land, all timber belonging to
319 individuals or corporations growing or being on the lands of this state or the United
320 States, and all rights and privileges appertaining to these; and
 - 321 (c) improvements.
- 322 ~~[(33)]~~ (34)(a) "Relationship with an owner of the property's land surface rights" means a
323 relationship described in Subsection 267(b), Internal Revenue Code, except that the
324 term 25% shall be substituted for the term 50% in Subsection 267(b), Internal
325 Revenue Code.
- 326 (b) For purposes of determining if a relationship described in Subsection 267(b), Internal
327 Revenue Code, exists, the ownership of stock shall be determined using the
328 ownership rules in Subsection 267(c), Internal Revenue Code.
- 329 ~~[(34)]~~ (35)(a) "Residential property," for purposes of the reductions and adjustments
330 under this chapter, means any property used for residential purposes as a primary
331 residence.
- 332 (b) "Residential property" includes:
- 333 (i) except as provided in Subsection ~~[(34)(b)(ii)]~~ (35)(b)(ii), includes household
334 furnishings, furniture, and equipment if the household furnishings, furniture, and
335 equipment are:
 - 336 (A) used exclusively within a dwelling unit that is the primary residence of a

- 337 tenant; and
- 338 (B) owned by the owner of the dwelling unit that is the primary residence of a
- 339 tenant; and
- 340 (ii) if the county assessor determines that the property will be used for residential
- 341 purposes as a primary residence:
- 342 (A) property under construction; or
- 343 (B) unoccupied property.
- 344 (c) "Residential property" does not include property used for transient residential use.
- 345 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 346 commission may by rule define the term "dwelling unit" for purposes of Subsection [
- 347 ~~(31)~~ (32) and this Subsection [~~(34)~~ (35).
- 348 [~~(35)~~ (36) "Split estate mineral rights owner" means a person that:
- 349 (a) has a legal right to extract a mineral from property;
- 350 (b) does not hold more than a 25% interest in:
- 351 (i) the land surface rights of the property where the wellhead is located; or
- 352 (ii) an entity with an ownership interest in the land surface rights of the property
- 353 where the wellhead is located;
- 354 (c) is not an entity in which the owner of the land surface rights of the property where
- 355 the wellhead is located holds more than a 25% interest; and
- 356 (d) does not have a relationship with an owner of the land surface rights of the property
- 357 where the wellhead is located.
- 358 [~~(36)~~ (37)(a) "State-assessed commercial vehicle" means:
- 359 (i) any commercial vehicle, trailer, or semitrailer that operates interstate or intrastate
- 360 to transport passengers, freight, merchandise, or other property for hire; or
- 361 (ii) any commercial vehicle, trailer, or semitrailer that operates interstate and
- 362 transports the vehicle owner's goods or property in furtherance of the owner's
- 363 commercial enterprise.
- 364 (b) "State-assessed commercial vehicle" does not include vehicles used for hire that are
- 365 specified in Subsection (10)(c) as county-assessed commercial vehicles.
- 366 [~~(37)~~ (38) "Subdivided lot" means a lot, parcel, or other division of land, that is a division
- 367 of a base parcel.
- 368 [~~(38)~~ (39) "Tax area" means a geographic area created by the overlapping boundaries of
- 369 one or more taxing entities.
- 370 [~~(39)~~ (40) "Taxable value" means fair market value less any applicable reduction allowed

371 for residential property under Section 59-2-103.

372 [~~(40)~~] (41) "Taxing entity" means any county, city, town, school district, special taxing
373 district, special district under Title 17B, Limited Purpose Local Government Entities -
374 Special Districts, or other political subdivision of the state with the authority to levy a
375 tax on property.

376 [~~(41)~~] (42)(a) "Tax roll" means a permanent record of the taxes charged on property, as
377 extended on the assessment roll, and may be maintained on the same record or
378 records as the assessment roll or may be maintained on a separate record properly
379 indexed to the assessment roll.

380 (b) "Tax roll" includes tax books, tax lists, and other similar materials.

381 [~~(42)~~] (43) "Telecommunications service provider" means the same as that term is defined in
382 Section 59-12-102.

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

384 **59-2-103 (Effective 05/07/25) (Applies beginning 01/01/25). Rate of assessment of**
385 **property -- Residential property.**

386 (1) As used in this section:

387 (a)(i) "Household" means the association of individuals who live in the same
388 dwelling, sharing the dwelling's furnishings, facilities, accommodations, and
389 expenses.

390 (ii) "Household" includes married individuals, who are not legally separated, who
391 have established domiciles at separate locations within the state.

392 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
393 commission may make rules defining the term "domicile."

394 (2) All tangible taxable property located within the state shall be assessed and taxed at a
395 uniform and equal rate on the basis of its fair market value, as valued on January 1,
396 unless otherwise provided by law.

397 (3) Subject to Subsections (4) through (6) and Section 59-2-103.5, for a calendar year, the
398 fair market value of residential property located within the state is allowed a residential
399 exemption equal to a 45% reduction in the value of the property.

400 (4) Part-year residential property located within the state is allowed the residential
401 exemption described in Subsection (3) if the part-year residential property is used as
402 residential property for 183 or more consecutive calendar days during the calendar year
403 for which the owner seeks to obtain the residential exemption.

404 (5) No more than one acre of land per residential unit may qualify for the residential

405 exemption described in Subsection (3).

406 (6)(a) Except as provided in Subsections (6)(b)(ii) and (iii), a residential exemption
407 described in Subsection (3) is limited to one primary residence per household.

408 (b) An owner of multiple primary residences located within the state is allowed a
409 residential exemption under Subsection (3) for:

410 (i) subject to Subsection (6)(a), the primary residence of the owner;

411 (ii) each residential property that is the primary residence of a tenant; and

412 (iii) subject to Subsection 59-2-103.5(4), each residential property described in
413 Subsection [~~59-2-102(34)(b)(ii)~~] 59-2-102(35)(b)(ii).

414 Section 3. Section **59-2-103.5** is amended to read:

415 **59-2-103.5 (Effective 05/07/25) (Applies beginning 01/01/25). Procedures to**
416 **obtain an exemption for residential property -- Procedure if property owner or property**
417 **no longer qualifies to receive a residential exemption.**

418 (1) Subject to Subsections (4), (5), and (10), for residential property other than part-year
419 residential property, a county legislative body may adopt an ordinance that requires an
420 owner to file an application with the county board of equalization before the county
421 applies a residential exemption authorized under Section 59-2-103 to the value of the
422 residential property if:

423 (a) the residential property was ineligible for the residential exemption during the
424 calendar year immediately preceding the calendar year for which the owner is
425 seeking to have the residential exemption applied to the value of the residential
426 property;

427 (b) an ownership interest in the residential property changes; or

428 (c) the county board of equalization determines that there is reason to believe that the
429 residential property no longer qualifies for the residential exemption.

430 (2)(a) The application described in Subsection (1):

431 (i) shall be on a form the commission provides by rule and makes available to the
432 counties;

433 (ii) shall be signed by the owner of the residential property; and

434 (iii) may not request the sales price of the residential property.

435 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
436 commission may make rules providing the contents of the form described in
437 Subsection (2)(a).

438 (c) For purposes of the application described in Subsection (1), a county may not request

- 439 information from an owner of a residential property beyond the information in the
440 form provided by the commission under this Subsection (2).
- 441 (3)(a) Regardless of whether a county legislative body adopts an ordinance described in
442 Subsection (1), before a county may apply a residential exemption to the value of
443 part-year residential property, an owner of the property shall:
- 444 (i) file the application described in Subsection (2)(a) with the county board of
445 equalization; and
 - 446 (ii) include as part of the application described in Subsection (2)(a) a statement that
447 certifies:
 - 448 (A) the date the part-year residential property became residential property;
 - 449 (B) that the part-year residential property will be used as residential property for
450 183 or more consecutive calendar days during the calendar year for which the
451 owner seeks to obtain the residential exemption; and
 - 452 (C) that the owner, or a member of the owner's household, may not claim a
453 residential exemption for any property for the calendar year for which the
454 owner seeks to obtain the residential exemption, other than the part-year
455 residential property, or as allowed under Section 59-2-103 with respect to the
456 primary residence or household furnishings, furniture, and equipment of the
457 owner's tenant.
 - 458 (b) If an owner files an application under this Subsection (3) on or after May 1 of the
459 calendar year for which the owner seeks to obtain the residential exemption, the
460 county board of equalization may require the owner to pay an application fee not to
461 exceed \$50.
- 462 (4) Before a county allows residential property described in Subsection [~~59-2-102(34)(b)(ii)~~]
463 59-2-102(35)(b)(ii) a residential exemption authorized under Section 59-2-103, an
464 owner of the residential property shall file with the county assessor a written declaration
465 that:
- 466 (a) states under penalty of perjury that, to the best of each owner's knowledge, upon
467 completion of construction or occupancy of the residential property, the residential
468 property will be used for residential purposes as a primary residence;
 - 469 (b) is signed by each owner of the residential property; and
 - 470 (c) is on a form approved by the commission.
- 471 (5)(a) Before a county allows residential property described in Subsection 59-2-103
472 (6)(b) a residential exemption authorized under Section 59-2-103, an owner of the

- 473 residential property shall file with the county assessor a written declaration that:
- 474 (i) states under penalty of perjury that, to the best of each owner's knowledge, the
475 residential property will be used for residential purposes as a primary residence of
476 a tenant;
- 477 (ii) is signed by each owner of the residential property; and
478 (iii) is on a form approved by the commission.
- 479 (b)(i)(A) In addition to the declaration, a county assessor may request from an
480 owner a current lease agreement signed by the tenant.
- 481 (B) If the lease agreement is insufficient for a county assessor to make a
482 determination about eligibility for a residential exemption, a county assessor
483 may request a copy of the real estate insurance policy for the property.
- 484 (C) If the real estate insurance policy is insufficient for a county assessor to make
485 a determination about eligibility for a residential exemption, a county assessor
486 may request a copy of a filing from the most recent federal tax return showing
487 that the owner had profit or loss from the residential property as a rental.
- 488 (ii) A county assessor may not request information from an owner's tenant.
- 489 (6) Except as provided in Subsection (7), if a property owner no longer qualifies to receive
490 a residential exemption authorized under Section 59-2-103 for the property owner's
491 primary residence, the property owner shall:
- 492 (a) file a written statement with the county board of equalization of the county in which
493 the property is located:
- 494 (i) on a form provided by the county board of equalization; and
495 (ii) notifying the county board of equalization that the property owner no longer
496 qualifies to receive a residential exemption authorized under Section 59-2-103 for
497 the property owner's primary residence; and
- 498 (b) declare on the property owner's individual income tax return under Chapter 10,
499 Individual Income Tax Act, for the taxable year for which the property owner no
500 longer qualifies to receive a residential exemption authorized under Section 59-2-103
501 for the property owner's primary residence, that the property owner no longer
502 qualifies to receive a residential exemption authorized under Section 59-2-103 for the
503 property owner's primary residence.
- 504 (7) A property owner is not required to file a written statement or make the declaration
505 described in Subsection (6) if the property owner:
- 506 (a) changes primary residences;

- 507 (b) qualified to receive a residential exemption authorized under Section 59-2-103 for
508 the residence that was the property owner's former primary residence; and
- 509 (c) qualifies to receive a residential exemption authorized under Section 59-2-103 for the
510 residence that is the property owner's current primary residence.
- 511 (8) Subsections (2) through (7) do not apply to qualifying exempt primary residential rental
512 personal property.
- 513 (9)(a) Subject to Subsection (10), for the first calendar year in which a property owner
514 qualifies to receive a residential exemption under Section 59-2-103, a county assessor
515 may require the property owner to file a signed statement described in Section
516 59-2-306.
- 517 (b) Subject to Subsection (10) and notwithstanding Section 59-2-306, for a calendar year
518 after the calendar year described in Subsection (9)(a) in which a property owner
519 qualifies for an exemption authorized under Section 59-2-1115 for qualifying exempt
520 primary residential rental personal property, a signed statement described in Section
521 59-2-306 with respect to the qualifying exempt primary residential rental personal
522 property may only require the property owner to certify, under penalty of perjury,
523 that the property owner qualifies for the exemption authorized under Section
524 59-2-1115.
- 525 (10)(a) After an ownership interest in residential property changes, the county assessor
526 shall:
- 527 (i) notify the owner of the residential property that the owner is required to submit a
528 written declaration described in Subsection (10)(d) within 90 days after the day on
529 which the county assessor mails the notice under this Subsection (10)(a); and
- 530 (ii) provide the owner of the residential property with the form described in
531 Subsection (10)(e) to make the written declaration described in Subsection (10)(d).
- 532 (b) A county assessor is not required to provide a notice to an owner of residential
533 property under Subsection (10)(a) if the situs address of the residential property is the
534 same as any one of the following:
- 535 (i) the mailing address of the residential property owner or the tenant of the
536 residential property;
- 537 (ii) the address listed on the:
- 538 (A) residential property owner's driver license; or
539 (B) tenant of the residential property's driver license; or
- 540 (iii) the address listed on the:

- 541 (A) residential property owner's voter registration; or
- 542 (B) tenant of the residential property's voter registration.
- 543 (c) A county assessor is not required to provide a notice to an owner of residential
- 544 property under Subsection (10)(a) if:
- 545 (i) the owner is using a post office box or rural route box located in the county where
- 546 the residential property is located; and
- 547 (ii) the residential property is located in a county of the fourth, fifth, or sixth class.
- 548 (d) An owner of residential property that receives a notice described in Subsection
- 549 (10)(a) shall submit a written declaration to the county assessor under penalty of
- 550 perjury certifying the information contained in the form described in Subsection
- 551 (10)(e).
- 552 (e) The written declaration required by Subsection (10)(d) shall be:
- 553 (i) signed by the owner of the residential property; and
- 554 (ii) in substantially the following form:

"Residential Property Declaration

This form must be submitted to the County Assessor's office where your new residential property is located within 90 days of receipt. Failure to do so will result in the county assessor taking action that could result in the withdrawal of the primary residential exemption from your residential property.

Residential Property Owner Information

561 Name(s): _____

562 Home Phone: _____

563 Work Phone: _____

564 Mailing Address: _____

Residential Property Information

566 Physical Address: _____

567 Certification

568 1. Is this property used as a primary residential property or part-year residential
569 property for you or another person?

570 "Part-year residential property" means owned property that is not residential property on
571 January 1 of a calendar year but becomes residential property after January 1 of the calendar
572 year.

573 Yes No

574 2. Will this primary residential property or part-year residential property be occupied

575 for 183 or more consecutive calendar days by the owner or another person?

576 A part-year residential property occupied for 183 or more consecutive calendar days in a
577 calendar year by the owner(s) or a tenant is eligible for the exemption.

578 Yes No

579 If a property owner or a property owner's spouse claims a residential exemption under
580 Utah Code Ann. §59-2-103 for property in this state that is the primary residence of the property
581 owner or the property owner's spouse, that claim of a residential exemption creates a rebuttable
582 presumption that the property owner and the property owner's spouse have domicile in Utah
583 for income tax purposes. The rebuttable presumption of domicile does not apply if the
584 residential property is the primary residence of a tenant of the property owner or the property
585 owner's spouse.

586 Signature

587 Under penalties of perjury, I declare to the best of my knowledge and belief, this
588 declaration and accompanying pages are true, correct, and complete.

589 _____(Owner signature) _____Date (mm/dd/yyyy)

590 _____(Owner printed name)

591 (f) For purposes of a written declaration described in this Subsection (10), a county may
592 not request information from a property owner beyond the information described in the form
593 provided in Subsection (10)(e).

594 (g) (i) If, after receiving a written declaration filed under Subsection (10)(d), the county
595 determines that the property has been incorrectly qualified or disqualified to receive a
596 residential exemption, the county shall:

597 (A) redetermine the property's qualification to receive a residential exemption; and

598 (B) notify the claimant of the redetermination and the county's reason for the
599 redetermination.

600 (ii) The redetermination provided in Subsection (10)(g)(i)(A) is final unless:

601 (A) except as provided in Subsection (10)(g)(iii), the property owner appeals the

602 redetermination to the board of equalization in accordance with Subsection 59-2-1004(2); or

603 (B) the county determines that the property is eligible to receive a primary residential
604 exemption as part-year residential property.

605 (iii) The board of equalization may not accept an appeal that is filed after the later of:

606 (A) September 15 of the current calendar year; or

607 (B) the last day of the 45-day period beginning on the day on which the county auditor
608 provides the notice under Section 59-2-919.1.

- 609 (h) (i) If a residential property owner fails to file a written declaration required by
 610 Subsection (10)(d), the county assessor shall mail to the owner of the residential property a
 611 notice that:
- 612 (A) the property owner failed to file a written declaration as required by Subsection
 613 (10)(d); and
- 614 (B) the property owner will no longer qualify to receive the residential exemption
 615 authorized under Section 59-2-103 for the property that is the subject of the written declaration
 616 if the property owner does not file the written declaration required by Subsection (10)(d)
 617 within 30 days after the day on which the county assessor mails the notice under this
 618 Subsection (10)(h)(i).
- 619 (ii) If a property owner fails to file a written declaration required by Subsection (10)(d)
 620 after receiving the notice described in Subsection (10)(h)(i), the property owner no longer
 621 qualifies to receive the residential exemption authorized under Section 59-2-103 in the
 622 calendar year for the property that is the subject of the written declaration unless:
- 623 (A) except as provided in Subsection (10)(h)(iii), the property owner appeals the
 624 redetermination to the board of equalization in accordance with Subsection 59-2-1004(2); or
- 625 (B) the county determines that the property is eligible to receive a primary residential
 626 exemption as part-year residential property.
- 627 (iii) The board of equalization may not accept an appeal that is filed after the later of:
- 628 (A) September 15 of the current calendar year; or
- 629 (B) the last day of the 45-day period beginning on the day on which the county auditor
 630 provides the notice under Section 59-2-919.1.
- 631 (iv) A property owner that is disqualified to receive the residential exemption under
 632 Subsection (10)(h)(ii) may file an application described in Subsection (1) to determine whether
 633 the owner is eligible to receive the residential exemption.
- 634 (i) The requirements of this Subsection (10) do not apply to a county assessor in a county
 635 that has, for the five calendar years prior to 2019, had in place and enforced an ordinance
 636 described in Subsection (1).

637 Section 4. Section **59-2-405** is amended to read:

638 **59-2-405 (Effective 05/07/25) (Applies beginning 01/01/25). Uniform fee on**
 639 **tangible personal property required to be registered with the state -- Distribution of**
 640 **revenues -- Appeals.**

- 641 (1) The property described in Subsection (2), except Subsection (2)(b)(ii), is exempt from
 642 ad valorem property taxes pursuant to Utah Constitution Article XIII, Section 2,

- 643 Subsection (6).
- 644 (2)(a) Except as provided in Subsection (2)(b), there is levied as provided in this part a
645 statewide uniform fee in lieu of the ad valorem tax on:
- 646 (i) motor vehicles required to be registered with the state that [~~weigh 12,001~~] have a
647 gross vehicle weight rating of 14,001 pounds or more;
- 648 (ii) motorcycles as defined in Section 41-1a-102 that are required to be registered
649 with the state;
- 650 (iii) watercraft required to be registered with the state;
- 651 (iv) recreational vehicles required to be registered with the state; and
- 652 (v) all other tangible personal property required to be registered with the state before
653 it is used on a public highway, on a public waterway, on public land, or in the air.
- 654 (b) The following tangible personal property is exempt from the statewide uniform fee
655 imposed by this section:
- 656 (i) aircraft;
- 657 (ii) state-assessed commercial vehicles;
- 658 (iii) tangible personal property subject to a uniform fee imposed by:
- 659 (A) Section 59-2-405.1;
- 660 (B) Section 59-2-405.2; or
- 661 (C) Section 59-2-405.3; and
- 662 (iv) personal property that is exempt from state or county ad valorem property taxes
663 under the laws of this state or of the federal government.
- 664 (3) Beginning on January 1, 1999, the uniform fee is 1.5% of the fair market value of the
665 personal property, as established by the commission.
- 666 (4) Notwithstanding Section 59-2-407, property subject to the uniform fee that is brought
667 into the state and is required to be registered in Utah shall, as a condition of registration,
668 be subject to the uniform fee unless all property taxes or uniform fees imposed by the
669 state of origin have been paid for the current calendar year.
- 670 (5)(a) The revenues collected in each county from the uniform fee shall be distributed by
671 the county to each taxing entity in which the property described in Subsection (2) is
672 located in the same proportion in which revenue collected from ad valorem real
673 property tax is distributed.
- 674 (b) Each taxing entity shall distribute the revenues received under Subsection (5)(a) in
675 the same proportion in which revenue collected from ad valorem real property tax is
676 distributed.

677 (6) An appeal relating to the uniform fee imposed on the tangible personal property
678 described in Subsection (2) shall be filed pursuant to Section 59-2-1005.

679 Section 5. Section **59-2-405.1** is amended to read:

680 **59-2-405.1 (Effective 05/07/25) (Applies beginning 01/01/25). Uniform fee on**
681 **certain vehicles with a gross vehicle weight rating of 14,000 pounds or less -- Distribution**
682 **of revenues -- Appeals.**

683 (1) The property described in Subsection (2) is exempt from ad valorem property taxes
684 pursuant to Utah Constitution Article XIII, Section 2, Subsection (6).

685 (2)(a) Except as provided in Subsection (2)(b), there is levied as provided in this part a
686 statewide uniform fee in lieu of the ad valorem tax on:

687 (i) motor vehicles as defined in Section 41-1a-102 that:

688 (A) are required to be registered with the state; and

689 (B) [~~weigh 12,000~~] have a gross vehicle weight rating of 14,000 pounds or less; and

690 (ii) state-assessed commercial vehicles required to be registered with the state that [
691 ~~weigh 12,000~~] have a gross vehicle weight rating of 14,000 pounds or less.

692 (b) The following tangible personal property is exempt from the statewide uniform fee
693 imposed by this section:

694 (i) aircraft;

695 (ii) tangible personal property subject to a uniform fee imposed by:

696 (A) Section 59-2-405;

697 (B) Section 59-2-405.2; or

698 (C) Section 59-2-405.3; and

699 (iii) tangible personal property that is exempt from state or county ad valorem
700 property taxes under the laws of this state or of the federal government.

701 (3)(a) Except as provided in Subsections (3)(b) and (c), beginning on January 1, 1999,
702 the uniform fee for purposes of this section is as follows:

Age of Vehicle	Uniform Fee
12 or more years	\$10
9 or more years but less than 12 years	\$50
6 or more years but less than 9 years	\$80
3 or more years but less than 6 years	\$110
Less than 3 years	\$150

709 (b) For registrations under Section 41-1a-215.5, the uniform fee for purposes of this

710 section is as follows:

Age of Vehicle	Uniform Fee
12 or more years	\$7.75
9 or more years but less than 12 years	\$38.50
6 or more years but less than 9 years	\$61.50
3 or more years but less than 6 years	\$84.75
Less than 3 years	\$115.50

717 (c) Notwithstanding Subsections (3)(a) and (b), beginning on September 1, 2001, for a
 718 motor vehicle issued a temporary sports event registration certificate in accordance
 719 with Section 41-3-306, the uniform fee for purposes of this section is \$5 for the event
 720 period specified on the temporary sports event registration certificate regardless of
 721 the age of the motor vehicle.

722 (4) Notwithstanding Section 59-2-407, property subject to the uniform fee that is brought
 723 into the state and is required to be registered in Utah shall, as a condition of registration,
 724 be subject to the uniform fee unless all property taxes or uniform fees imposed by the
 725 state of origin have been paid for the current calendar year.

726 (5)(a) The revenues collected in each county from the uniform fee shall be distributed by
 727 the county to each taxing entity in which the property described in Subsection (2) is
 728 located in the same proportion in which revenue collected from ad valorem real
 729 property tax is distributed.

730 (b) Each taxing entity shall distribute the revenues received under Subsection (5)(a) in
 731 the same proportion in which revenue collected from ad valorem real property tax is
 732 distributed.

733 Section 6. Section **59-2-804** is amended to read:

734 **59-2-804 (Effective 05/07/25) (Applies beginning 01/01/25). Interstate allocation**
 735 **of mobile flight equipment.**

736 (1) As used in this section:

737 (a) "Aircraft type" means a particular model of aircraft as designated by the
 738 manufacturer of the aircraft.

739 (b) "Airline ground hours calculation" means an amount equal to the product of:

740 (i) the total number of hours aircraft owned or operated by an airline are on the
 741 ground, calculated by aircraft type; and

742 (ii) the cost percentage.

- 743 (c) "Airline revenue ton miles" means, for an airline, the total revenue ton miles during
744 the calendar year that immediately precedes the January 1 described in Section
745 59-2-103.
- 746 (d) "Cost percentage" means a fraction, calculated by aircraft type, the numerator of
747 which is the airline's average cost of the aircraft type and the denominator of which is
748 the airline's average cost of the aircraft type:
749 (i) owned or operated by the airline; and
750 (ii) that has the lowest average cost.
- 751 (e) "Ground hours factor" means the product of:
752 (i) a fraction, the numerator of which is the Utah ground hours calculation and the
753 denominator of which is the airline ground hours calculation; and
754 (ii) .50.
- 755 (f)(i) Except as provided in Subsection (1)(f)(ii), "mobile flight equipment" is as
756 defined in Section 59-2-102.
757 (ii) "Mobile flight equipment" does not include tangible personal property described
758 in Subsection [59-2-102(25)] 59-2-102(26) owned by an:
759 (A) air charter service; or
760 (B) air contract service.
- 761 (g) "Mobile flight equipment allocation factor" means the sum of:
762 (i) the ground hours factor; and
763 (ii) the revenue ton miles factor.
- 764 (h) "Revenue ton miles" is determined in accordance with 14 C.F.R. Part 241.
- 765 (i) "Revenue ton miles factor" means the product of:
766 (i) a fraction, the numerator of which is the Utah revenue ton miles and the
767 denominator of which is the airline revenue ton miles; and
768 (ii) .50.
- 769 (j) "Utah ground hours calculation" means an amount equal to the product of:
770 (i) the total number of hours aircraft owned or operated by an airline are on the
771 ground in this state, calculated by aircraft type; and
772 (ii) the cost percentage.
- 773 (k) "Utah revenue ton miles" means, for an airline, the total revenue ton miles within the
774 borders of this state:
775 (i) during the calendar year that immediately precedes the January 1 described in
776 Section 59-2-103; and

777 (ii) from flight stages that originate or terminate in this state.

778 (2) For purposes of the assessment of an airline's mobile flight equipment by the
779 commission, a portion of the value of the airline's mobile flight equipment shall be
780 allocated to the state by calculating the product of:

781 (a) the total value of the mobile flight equipment; and

782 (b) the mobile flight equipment allocation factor.

783 Section 7. Section **59-7-302** is amended to read:

784 **59-7-302 (Effective 05/07/25) (Applies beginning 01/01/25). Definitions --**

785 **Determination of taxpayer status.**

786 (1) As used in this part, unless the context otherwise requires:

787 (a) "Aircraft type" means a particular model of aircraft as designated by the
788 manufacturer of the aircraft.

789 (b) "Airline" means the same as that term is defined in Section 59-2-102.

790 (c) "Airline revenue ton miles" means, for an airline, the total revenue ton miles during
791 the airline's tax period.

792 (d) "Business income" means income that:

793 (i) is apportionable under the United States Constitution and is not allocated under
794 the laws of this state, including income arising from:

795 (A) a transaction or activity in the regular course of the taxpayer's trade or
796 business; and

797 (B) tangible and intangible property, if the acquisition, management, employment,
798 development, or disposition of the property is or was related to the operation of
799 the taxpayer's trade or business; or

800 (ii) would be allocable to this state under the United States Constitution, but is
801 apportioned rather than allocated in accordance with the laws of this state.

802 (e) "Commercial domicile" means the principal place from which the trade or business
803 of the taxpayer is directed or managed.

804 (f) "Compensation" means wages, salaries, commissions, and any other form of
805 remuneration paid to employees for personal services.

806 (g) "Excluded NAICS code" means a NAICS code of the 2017 North American Industry
807 Classification System of the federal Executive Office of the President, Office of
808 Management and Budget, within:

809 (i) NAICS Code 211120, Crude Petroleum Extraction;

810 (ii) NAICS Industry Group 2121, Coal Mining;

- 811 (iii) NAICS Industry Group 2212, Natural Gas Distribution;
- 812 (iv) NAICS Subsector 311, Food Manufacturing;
- 813 (v) NAICS Industry Group 3121, Beverage Manufacturing;
- 814 (vi) NAICS Code 327310, Cement Manufacturing;
- 815 (vii) NAICS Subsector 482, Rail Transportation;
- 816 (viii) NAICS Code 512110, Motion Picture and Video Production;
- 817 (ix) NAICS Subsection 515, Broadcasting (except Internet); or
- 818 (x) NAICS Code 522110, Commercial Banking.
- 819 (h)(i) Except as provided in Subsection (1)(h)(ii), "mobile flight equipment" means
- 820 the same as that term is defined in Section 59-2-102.
- 821 (ii) "Mobile flight equipment" does not include:
- 822 (A) a spare engine; or
- 823 (B) tangible personal property described in Subsection [~~59-2-102(25)~~]
- 824 ~~59-2-102(26)~~ owned by an air charter service or an air contract service.
- 825 (i) "Nonbusiness income" means all income other than business income.
- 826 (j) "Optional apportionment taxpayer" means a taxpayer described in Subsection (3).
- 827 (k) "Phased-in sales factor weighted taxpayer" means a taxpayer that:
- 828 (i) is not a sales factor weighted taxpayer;
- 829 (ii) does not meet the definition of an optional apportionment taxpayer; or
- 830 (iii) for a taxable year beginning on or after January 1, 2020:
- 831 (A) meets the definition of an optional apportionment taxpayer; and
- 832 (B) apportioned business income using the method described in Subsection
- 833 59-7-311(4) during the previous taxable year.
- 834 (l) "Revenue ton miles" is determined in accordance with 14 C.F.R. Part 241.
- 835 (m) "Sales" means all gross receipts of the taxpayer not allocated under Sections
- 836 59-7-306 through 59-7-310.
- 837 (n) "Sales factor weighted taxpayer" means a taxpayer described in Subsection (2).
- 838 (o) "State" means any state of the United States, the District of Columbia, the
- 839 Commonwealth of Puerto Rico, any territory or possession of the United States, and
- 840 any foreign country or political subdivision thereof.
- 841 (p) "Transportation revenue" means revenue an airline earns from:
- 842 (i) transporting a passenger or cargo; or
- 843 (ii) from miscellaneous sales of merchandise as part of providing transportation
- 844 services.

- 845 (q) "Utah revenue ton miles" means, for an airline, the total revenue ton miles within the
846 borders of this state:
- 847 (i) during the airline's tax period; and
 - 848 (ii) from flight stages that originate or terminate in this state.
- 849 (2)(a) A taxpayer is a sales factor weighted taxpayer if the taxpayer apportioned
850 business income using the method described in Subsection 59-7-311(2) during the
851 previous taxable year or if, regardless of the number of economic activities the
852 taxpayer performs, the taxpayer generates greater than 50% of the taxpayer's total
853 sales everywhere from economic activities that are classified in a NAICS code of the
854 2002 or 2007 North American Industry Classification System of the federal
855 Executive Office of the President, Office of Management and Budget, other than:
- 856 (i) a NAICS code within NAICS Sector 21, Mining;
 - 857 (ii) a NAICS code within NAICS Industry Group 2212, Natural Gas Distribution;
 - 858 (iii) a NAICS code within NAICS Sector 31-33, Manufacturing, except:
 - 859 (A) NAICS Industry Group 3254, Pharmaceutical and Medicine Manufacturing;
 - 860 (B) NAICS Industry Group 3333, Commercial and Service Industry Machinery
861 Manufacturing;
 - 862 (C) NAICS Subsector 334, Computer and Electronic Product Manufacturing; and
 - 863 (D) NAICS Code 336111, Automobile Manufacturing;
 - 864 (iv) a NAICS code within NAICS Sector 48-49, Transportation and Warehousing;
 - 865 (v) a NAICS code within NAICS Sector 51, Information, except NAICS Subsector
866 519, Other Information Services; or
 - 867 (vi) a NAICS code within NAICS Sector 52, Finance and Insurance.
- 868 (b) A taxpayer shall determine if the taxpayer is a sales factor weighted taxpayer each
869 year before the due date for filing the taxpayer's return under this chapter for the
870 taxable year, including extensions.
- 871 (c) For purposes of making the determination required by Subsection (2)(a), total sales
872 everywhere include only the total sales everywhere:
- 873 (i) as determined in accordance with this part; and
 - 874 (ii) made during the taxable year for which a taxpayer makes the determination
875 required by Subsection (2)(a).
- 876 (3)(a) A taxpayer is an optional apportionment taxpayer if the average calculated in
877 accordance with Subsection (3)(b) is greater than .50.
- 878 (b) To calculate the average described in Subsection (3)(a), a taxpayer shall:

- 879 (i) calculate the following two fractions:
- 880 (A) the property factor fraction as described in Subsection 59-7-312(3); and
- 881 (B) the payroll factor fraction as described in Subsection 59-7-315(3);
- 882 (ii) add together the fractions described in Subsection (3)(b)(i); and
- 883 (iii) divide the sum calculated in Subsection (3)(b)(ii):
- 884 (A) except as provided in Subsection (3)(b)(iii)(B), by two; or
- 885 (B) if either the property factor fraction or the payroll factor fraction has a
- 886 denominator of zero or is excluded in accordance with Subsection
- 887 59-7-312(3)(b) or 59-7-315(3)(b), by one.
- 888 (c) A taxpayer shall determine if the taxpayer is an optional apportionment taxpayer
- 889 before the due date for filing the taxpayer's return under this chapter for the taxable
- 890 year, including extensions.
- 891 (4) A taxpayer that files a return as a unitary group for a taxable year is considered to be a
- 892 unitary group for that taxable year.
- 893 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 894 commission may define the term "economic activity" consistent with the use of the term
- 895 "activity" in the 2007 North American Industry Classification System of the federal
- 896 Executive Office of the President, Office of Management and Budget.

897 **Section 8. Effective Date.**

898 This bill takes effect on May 7, 2025.

899 **Section 9. Retrospective operation.**

900 This bill has retrospective operation to January 1, 2025