

Jason B. Kyle proposes the following substitute bill:

Vehicle Registration Modifications

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brady Brammer

House Sponsor: Jason B. Kyle

LONG TITLE

General Description:

This bill allows the State Tax Commission to contract with a designated agent to assist in address verification for vehicles and vessels insured in the state.

Highlighted Provisions:

This bill:

- defines terms;
- allows the State Tax Commission (commission) to contract with a designated agent to determine the address for which a vehicle's or vessel's insurance is tied, to assist the commission in determining whether the owner is a resident of this state;
- based on information provided by the designated agent, allows the commission to investigate whether the owner is a resident for vehicle or vessel registration purposes or otherwise in compliance with relevant registration and tax laws;
- for a person found in violation of certain tax and fee requirements, allows the person 60 days to cure the violation before being subject to a penalty;
- allows the commission to impose penalties in certain circumstances;
- allows funds in the Uninsured Motorist Identification Restricted Account to be used to cover the costs of the designated agent for address verification;
- provides a coordination clause to amend S.B. 195, Transportation Amendments, with regard to electric unicycles and similar devices; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

This bill provides a coordination clause.

Utah Code Sections Affected:

AMENDS:

41-1a-202 (Effective upon governor's approval), as last amended by Laws of Utah 2023, Chapters 81, 532

41-12a-301 (Effective 05/03/23), as last amended by Laws of Utah 2023, Chapter 94

41-12a-806 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Chapters 268, 319

59-12-107 (Effective 05/04/22), as last amended by Laws of Utah 2022, Chapter 273

Utah Code Sections affected by Coordination Clause:

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

Section 1. Section **41-1a-202** is amended to read:

41-1a-202 (Effective upon governor's approval). Definitions -- Vehicles exempt from registration -- Registration of vehicles after establishing residency.

(1) ~~[H]~~ As used in this section:

(a) "Designated agent" means the same as that term is defined in Section 41-12a-803.

~~[(a)]~~ (b) "Domicile" means the place:

(i) where an individual has a fixed permanent home and principal establishment;

(ii) to which the individual if absent, intends to return; and

(iii) in which the individual and his family voluntarily reside, not for a special or temporary purpose, but with the intention of making a permanent home.

~~[(b)]~~ (c)(i) "Resident" means any of the following:

(A) an individual who:

(I) has established a domicile in this state;

(II) regardless of domicile, remains in this state for an aggregate period of six months or more during any calendar year;

(III) engages in a trade, profession, or occupation in this state or who accepts employment in other than seasonal work in this state and who does not commute into the state;

(IV) declares himself to be a resident of this state for the purpose of obtaining a driver license or motor vehicle registration; or

(V) declares himself a resident of Utah to obtain privileges not ordinarily extended to nonresidents, including going to school, or placing children in school without paying nonresident tuition or fees; or

- 63 (B) any individual, partnership, limited liability company, firm, corporation,
64 association, or other entity that:
- 65 (I) maintains a main office, branch office, or warehouse facility in this state
66 and that bases and operates a motor vehicle in this state; or
67 (II) operates a motor vehicle in intrastate transportation for other than seasonal
68 work.
- 69 (ii) "Resident" does not include any of the following:
- 70 (A) a member of the military temporarily stationed in Utah;
- 71 (B) an out-of-state student, as classified by the institution of higher education,
72 enrolled with the equivalent of seven or more quarter hours, regardless of
73 whether the student engages in a trade, profession, or occupation in this state or
74 accepts employment in this state; and
- 75 (C) an individual domiciled in another state or a foreign country that:
- 76 (I) is engaged in public, charitable, educational, or religious services for a
77 government agency or an organization that qualifies for tax-exempt status
78 under Internal Revenue Code Section 501(c)(3);
79 (II) is not compensated for services rendered other than expense
80 reimbursements; and
81 (III) is temporarily in Utah for a period not to exceed 24 months.
- 82 (iii) Notwithstanding Subsections ~~[(1)(b)(i) and (ii)]~~ (1)(c)(i) and (ii), "resident"
83 includes the owner of a vehicle equipped with an automated driving system as
84 defined in Section 41-26-102.1 if the vehicle is physically present in the state for
85 more than 30 consecutive days in a calendar year.
- 86 (2)(a) Registration under this chapter is not required for any:
- 87 (i) vehicle registered in another state and owned by a nonresident of the state or
88 operating under a temporary registration permit issued by the division or a dealer
89 authorized by this chapter, driven or moved upon a highway in conformance with
90 the provisions of this chapter relating to manufacturers, transporters, dealers, lien
91 holders, or interstate vehicles;
- 92 (ii) vehicle driven or moved upon a highway only for the purpose of crossing the
93 highway from one property to another;
- 94 (iii) implement of husbandry, whether of a type otherwise subject to registration or
95 not, that is only incidentally operated or moved upon a highway;
- 96 (iv) special mobile equipment;

- 97 (v) vehicle owned or leased by the federal government;
- 98 (vi) motor vehicle not designed, used, or maintained for the transportation of
- 99 passengers for hire or for the transportation of property if the motor vehicle is
- 100 registered in another state and is owned and operated by a nonresident of this state;
- 101 (vii) vehicle or combination of vehicles designed, used, or maintained for the
- 102 transportation of persons for hire or for the transportation of property if the
- 103 vehicle or combination of vehicles is registered in another state and is owned and
- 104 operated by a nonresident of this state and if the vehicle or combination of
- 105 vehicles has a gross laden weight of 26,000 pounds or less;
- 106 (viii) trailer of 750 pounds or less unladen weight and not designed, used, and
- 107 maintained for hire for the transportation of property or person;
- 108 (ix) single-axle trailer unless that trailer is:
- 109 (A) a commercial vehicle;
- 110 (B) a trailer designed, used, and maintained for hire for the transportation of
- 111 property or person; or
- 112 (C) a travel trailer, camping trailer, or fifth wheel trailer of 750 pounds or more
- 113 laden weight;
- 114 (x) manufactured home or mobile home;
- 115 (xi) off-highway vehicle currently registered under Section 41-22-3 if the
- 116 off-highway vehicle is:
- 117 (A) being towed;
- 118 (B) operated on a street or highway designated as open to off-highway vehicle
- 119 use; or
- 120 (C) operated in the manner prescribed in Subsections 41-22-10.3(1) through (3);
- 121 (xii) off-highway implement of husbandry operated in the manner prescribed in
- 122 Subsections 41-22-5.5(3) through (5);
- 123 (xiii) modular and prebuilt homes conforming to the uniform building code and
- 124 presently regulated by the United States Department of Housing and Urban
- 125 Development that are not constructed on a permanent chassis;
- 126 (xiv) electric assisted bicycle defined under Section 41-6a-102;
- 127 (xv) motor assisted scooter defined under Section 41-6a-102; or
- 128 (xvi) electric personal assistive mobility device defined under Section 41-6a-102.
- 129 (b) For purposes of an implement of husbandry as described in Subsection (2)(a)(iii),
- 130 incidental operation on a highway includes operation that is:

- 131 (i) transportation of raw agricultural materials or other agricultural related operations;
132 and
- 133 (ii) limited to 100 miles round trip on a highway.
- 134 (3)(a) Unless otherwise exempted under Subsection (2), registration under this chapter is
135 required for any motor vehicle, combination of vehicles, trailer, semitrailer, vintage
136 vehicle, or restored-modified vehicle within 60 days of the owner establishing
137 residency in this state.
- 138 (b)(i) The commission may contract with a designated agent described in Chapter
139 12a, Part 8, Uninsured Motorist Identification Database Program, to determine the
140 address for which a contract for owner's or operator's security pertaining to a
141 certain vehicle or vessel is tied.
- 142 (ii) If the information provided by the designated agent under Subsection (3)(b)(i)
143 indicates that the owner of a vehicle or vessel is a resident of this state, the
144 commission may investigate to ensure compliance with this chapter, Chapter 22,
145 Off-highway Vehicles, Title 59, Chapter 12, Sales and Use Tax Act, and Title 73,
146 Chapter 18, State Boating Act.
- 147 (c) If the commission's investigation described in Subsection (3)(b)(ii) determines that
148 the owner of the vehicle or vessel is not in compliance with this chapter, Chapter 22,
149 Off-highway Vehicles, Title 59, Chapter 12, Sales and Use Tax Act, or Title 73,
150 Chapter 18, State Boating Act, the commission:
- 151 (i) may impose a penalty on the owner of the vehicle or vessel of \$150; and
152 (ii) shall provide notice of noncompliance to the owner of the vehicle or vessel and
153 allow 60 days after the date on which the notice was issued for the owner of the
154 vehicle or vessel to comply with the provisions identified in the commission's
155 investigation described in Subsection (3)(b)(ii).
- 156 (d) If the owner of a vehicle or vessel fails to comply as directed within the time period
157 described in Subsection (3)(c), the commission created in Section 41-3-104 may
158 impose on the owner of the vehicle or vessel a penalty equal to the greater of:
- 159 (i) if the commission finds there was an underpayment of tax under Title 59, Chapter
160 12, Sales and Use Tax Act, a penalty as provided in Subsection 59-1-401(7); or
161 (ii) \$500.
- 162 (e) Upon making a record of the commission's actions, and upon reasonable cause
163 shown, the commission may waive, reduce, or compromise any penalty imposed
164 under Subsection (3)(c) or (3)(d).

- (f)(i) The commission shall deposit money from a penalty under Subsections (3)(c)(i) and (3)(d)(ii) for failure to properly register or title a vehicle or vessel pursuant to this chapter, Chapter 22, Off-highway Vehicles, or Title 73, Chapter 18, State Boating Act, into the Uninsured Motorist Identification Restricted Account created in Section 41-12a-806.
- (ii) The commission shall deposit money from a penalty under this Subsection (3)(d)(i) for failure to pay a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act, into the General Fund.

(4) A motor vehicle that is registered under Section 41-3-306 is exempt from the registration requirements of this part for the time period that the registration under Section 41-3-306 is valid.

(5) A vehicle that has been issued a nonrepairable certificate may not be registered under this chapter.

Section 2. Section **41-12a-301** is amended to read:

41-12a-301 (Effective 05/03/23). Definitions -- Requirement of owner's or operator's security -- Exceptions.

(1) As used in this section:

- (a) "Highway" means the same as that term is defined in Section 41-1a-102.
- (b) "Local education agency" or "LEA" means the same as that term is defined in Section 53E-1-102.
- (c) "Quasi-public road or parking area" means the same as that term is defined in Section 41-6a-214.

(2) Except as provided in Subsection (5):

- (a) every resident owner of a motor vehicle shall maintain owner's or operator's security in effect at any time that the motor vehicle is operated on a highway or on a quasi-public road or parking area or registered within the state; and
- (b) every nonresident owner of a motor vehicle that has been physically present in this state for:
- (i) 90 or fewer days during the preceding 365 days shall maintain the type and amount of owner's or operator's security required in his place of residence, in effect continuously throughout the period the motor vehicle remains within Utah; or
- (ii) more than 90 days during the preceding 365 days shall thereafter maintain owner's or operator's security in effect continuously throughout the period the

- 199 motor vehicle remains within Utah.
- 200 (3)(a) Except as provided in Subsection (5), the state and all of its political subdivisions
201 and their respective departments, institutions, or agencies shall maintain owner's or
202 operator's security in effect continuously for their motor vehicles.
- 203 (b) Any other state is considered a nonresident owner of its motor vehicles and is subject
204 to Subsection (2)(b).
- 205 (4) The United States, any political subdivision of it, or any of its agencies may maintain
206 owner's or operator's security in effect for their motor vehicles.
- 207 (5) Owner's or operator's security is not required for any of the following:
- 208 (a) off-highway vehicles registered under Section 41-22-3 when operated either:
- 209 (i) on a highway designated as open for off-highway vehicle use; or
- 210 (ii) in the manner prescribed by Subsections 41-22-10.3(1) through (3);
- 211 (b) off-highway implements of husbandry operated in the manner prescribed by
212 Subsections 41-22-5.5(3) through (5);
- 213 (c) electric assisted bicycles as defined under Section 41-6a-102;
- 214 (d) motor assisted scooters as defined under Section 41-6a-102;
- 215 (e) electric personal assistive mobility devices as defined under Section 41-6a-102; or
- 216 (f) an LEA, for a school bus that the LEA authorizes a state entity or political
217 subdivision of the state to use.
- 218 (6) If an LEA authorizes a state entity or political subdivision of the state to use a school
219 bus:
- 220 (a) the state entity or political subdivision shall maintain owner's or operator's security
221 during the term of the school bus use in an amount that is greater than or equal to any
222 governmental immunity liability limit;
- 223 (b) the state entity or the political subdivision shall indemnify and defend the LEA for
224 any claim that arises from the school bus use including a claim directed at the LEA,
225 unless the claim arises from the sole negligence of the LEA; and
- 226 (c) if the school district maintains owner's or operator's security for the school bus
227 during the term of school bus use, the owner's and operator's security maintained by
228 the state entity or political subdivision of the state is primary to the owner's and
229 operator's security maintained by the LEA.

230 Section 3. Section **41-12a-806** is amended to read:

231 **41-12a-806 (Effective upon governor's approval). Restricted account -- Creation**
232 **-- Funding -- Interest -- Purposes.**

- (1) There is created within the Transportation Fund a restricted account known as the "Uninsured Motorist Identification Restricted Account."
- (2) The account consists of money generated from the following revenue sources:
- (a) money received by the state under Subsection 41-1a-202(3);
 - ~~[(a)]~~ (b) money received by the state under Section 41-1a-1218, the uninsured motorist identification fee;
 - ~~[(b)]~~ (c) money received by the state under Section 41-1a-1220, the registration reinstatement fee; and
 - ~~[(c)]~~ (d) appropriations made to the account by the Legislature.
- (3)(a) The account shall earn interest.
- (b) All interest earned on account money shall be deposited into the account.
- (4) The Legislature shall appropriate money from the account to:
- (a) the department to fund the contract with the designated agent;
 - (b) the department to offset the costs to state and local law enforcement agencies of using the information for the purposes authorized under this part;
 - (c) the State Tax Commission to:
 - (i) offset the costs to the Motor Vehicle Division for revoking and reinstating vehicle registrations under Subsection 41-1a-110(2)(a)(ii); and
 - (ii) cover the contract and other costs of the designated agent for address verification described in Subsection 41-1a-202(3); and
 - (d) the department to reimburse a person for the costs of towing and storing the person's vehicle if:
 - (i) the person's vehicle was impounded in accordance with Subsection 41-1a-1101(4);
 - (ii) the impounded vehicle had owner's or operator's security in effect for the vehicle at the time of the impoundment;
 - (iii) the database indicated that owner's or operator's security was not in effect for the impounded vehicle; and
 - (iv) the department determines that the person's vehicle was wrongfully impounded.
- (5) The Legislature may appropriate not more than \$2,000,000 annually from the account to the Peace Officer Standards and Training Division, created under Section 53-6-103, for use in law enforcement training, including training on the use of the Uninsured Motorist Identification Database Program created under~~[Title 41,]~~ Chapter 12a, Part 8, Uninsured Motorist Identification Database Program.
- (6)(a) By following the procedures in Title 63G, Chapter 4, Administrative Procedures

Act, the department shall hold a hearing to determine whether a person's vehicle was wrongfully impounded under Subsection 41-1a-1101(4).

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the division shall make rules establishing procedures for a person to apply for a reimbursement under Subsection (4)(d).

(c) A person is not eligible for a reimbursement under Subsection (4)(d) unless the person applies for the reimbursement within six months from the date that the motor vehicle was impounded.

Section 4. Section **59-12-107** is amended to read:

59-12-107 (Effective 05/04/22). Definitions -- Collection, remittance, and payment of tax by sellers or other persons -- Returns -- Reports -- Direct payment by purchaser of vehicle -- Other liability for collection -- Rulemaking authority -- Credits -- Treatment of bad debt -- Penalties and interest.

(1) As used in this section:

(a) "Ownership" means direct ownership or indirect ownership through a parent, subsidiary, or affiliate.

(b) "Related seller" means a seller that:

(i) meets one or more of the criteria described in Subsection (2)(a)(i); and

(ii) delivers tangible personal property, a service, or a product transferred electronically that is sold:

(A) by a seller that does not meet one or more of the criteria described in Subsection (2)(a)(i); and

(B) to a purchaser in the state.

(c) "Substantial ownership interest" means an ownership interest in a business entity if that ownership interest is greater than the degree of ownership of equity interest specified in 15 U.S.C. Sec. 78p, with respect to a person other than a director or an officer.

(2)(a) Except as provided in Subsection (2)(f), Section 59-12-107.1, or Section 59-12-123, and subject to Subsection (2)(g), each seller shall pay or collect and remit the sales and use taxes imposed by this chapter if within this state the seller:

(i) has or utilizes:

(A) an office;

(B) a distribution house;

(C) a sales house;

- 301 (D) a warehouse;
- 302 (E) a service enterprise; or
- 303 (F) a place of business similar to Subsections (2)(a)(i)(A) through (E);
- 304 (ii) maintains a stock of goods;
- 305 (iii) regularly solicits orders, regardless of whether or not the orders are accepted in
- 306 the state, unless the seller's only activity in the state is:
- 307 (A) advertising; or
- 308 (B) solicitation by:
- 309 (I) direct mail;
- 310 (II) electronic mail;
- 311 (III) the Internet;
- 312 (IV) telecommunications service; or
- 313 (V) a means similar to Subsection (2)(a)(iii)(A) or (B);
- 314 (iv) regularly engages in the delivery of property in the state other than by:
- 315 (A) common carrier; or
- 316 (B) United States mail; or
- 317 (v) regularly engages in an activity directly related to the leasing or servicing of
- 318 property located within the state.
- 319 (b) A seller is considered to be engaged in the business of selling tangible personal
- 320 property, a product transferred electronically, or a service for use in the state, and
- 321 shall pay or collect and remit the sales and use taxes imposed by this chapter if:
- 322 (i) the seller holds a substantial ownership interest in, or is owned in whole or in
- 323 substantial part by, a related seller; and
- 324 (ii)(A) the seller sells the same or a substantially similar line of products as the
- 325 related seller and does so under the same or a substantially similar business
- 326 name; or
- 327 (B) the place of business described in Subsection (2)(a)(i) of the related seller or
- 328 an in state employee of the related seller is used to advertise, promote, or
- 329 facilitate sales by the seller to a purchaser.
- 330 (c) Subject to Section 59-12-107.6, each seller that does not meet one or more of the
- 331 criteria provided for in Subsection (2)(a) or is not a seller required to pay or collect
- 332 and remit the sales and use taxes imposed by this chapter under Subsection (2)(b)
- 333 shall pay or collect and remit the sales and use tax imposed by this chapter if the
- 334 seller:

- 335 (i) sells tangible personal property, products transferred electronically, or services for
336 storage, use, or consumption in the state; and
- 337 (ii) in either the previous calendar year or the current calendar year:
- 338 (A) receives gross revenue from the sale of tangible personal property, products
339 transferred electronically, or services for storage, use, or consumption in the
340 state of more than \$100,000; or
- 341 (B) sells tangible personal property, products transferred electronically, or
342 services for storage, use, or consumption in the state in 200 or more separate
343 transactions.
- 344 (d) A seller that does not meet one or more of the criteria provided for in Subsection
345 (2)(a) or is not a seller required to pay or collect and remit sales and use taxes under
346 Subsection (2)(b), Subsection (2)(c), or Section 59-12-107.6 may voluntarily:
- 347 (i) collect a tax on a transaction described in Subsection 59-12-103(1); and
348 (ii) remit the tax to the commission as provided in this part.
- 349 (e) The collection and remittance of a tax under this chapter by a seller that is registered
350 under the agreement may not be used as a factor in determining whether that seller is
351 required by this Subsection (2) to:
- 352 (i) pay a tax, fee, or charge under:
- 353 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
354 (B) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
355 (C) Section 19-6-714;
356 (D) Section 19-6-805;
357 (E) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service
358 Charges; or
359 (F) this title; or
- 360 (ii) collect and remit a tax, fee, or charge under:
- 361 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
362 (B) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
363 (C) Section 19-6-714;
364 (D) Section 19-6-805;
365 (E) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service
366 Charges; or
367 (F) this title.
- 368 (f) A person shall pay a use tax imposed by this chapter on a transaction described in

Subsection 59-12-103(1) if:

(i) the seller did not collect a tax imposed by this chapter on the transaction; and

(ii) the person:

(A) stores the tangible personal property or product transferred electronically in the state;

(B) uses the tangible personal property or product transferred electronically in the state; or

(C) consumes the tangible personal property or product transferred electronically in the state.

(g) The ownership of property that is located at the premises of a printer's facility with which the retailer has contracted for printing and that consists of the final printed product, property that becomes a part of the final printed product, or copy from which the printed product is produced, shall not result in the retailer being considered to have or maintain an office, distribution house, sales house, warehouse, service enterprise, or other place of business, or to maintain a stock of goods, within this state.

(3)(a) Except as provided in Section 59-12-107.1, a seller shall collect a tax under this chapter from a purchaser.

(b) A seller may not collect as tax an amount, without regard to fractional parts of one cent, in excess of the tax computed at the rates prescribed by this chapter.

(c)(i) Each seller shall:

(A) give the purchaser a receipt for the tax collected; or

(B) bill the tax as a separate item and declare the name of this state and the seller's sales and use tax license number on the invoice for the sale.

(ii) The receipt or invoice is prima facie evidence that the seller has collected the tax and relieves the purchaser of the liability for reporting the tax to the commission as a consumer.

(d) A seller is not required to maintain a separate account for the tax collected, but is considered to be a person charged with receipt, safekeeping, and transfer of public money.

(e) Taxes collected by a seller pursuant to this chapter shall be held in trust for the benefit of the state and for payment to the commission in the manner and at the time provided for in this chapter.

(f) If any seller, during any reporting period, collects as a tax an amount in excess of the

lawful state and local percentage of total taxable sales allowed under this chapter, the seller shall remit to the commission the full amount of the tax imposed under this chapter, plus any excess.

(g) If the accounting methods regularly employed by the seller in the transaction of the seller's business are such that reports of sales made during a calendar month or quarterly period will impose unnecessary hardships, the commission may accept reports at intervals that, in the commission's opinion, will better suit the convenience of the taxpayer or seller and will not jeopardize collection of the tax.

(h)(i) For a purchase paid with specie legal tender as defined in Section 59-1-1501.1, and until such time as the commission accepts specie legal tender for the payment of a tax under this chapter, if the commission requires a seller to remit a tax under this chapter in legal tender other than specie legal tender, the seller shall state on the seller's books and records and on an invoice, bill of sale, or similar document provided to the purchaser:

(A) the purchase price in specie legal tender and in the legal tender the seller is required to remit to the commission;

(B) subject to Subsection (3)(h)(ii), the amount of tax due under this chapter in specie legal tender and in the legal tender the seller is required to remit to the commission;

(C) the tax rate under this chapter applicable to the purchase; and

(D) the date of the purchase.

(ii)(A) Subject to Subsection (3)(h)(ii)(B), for purposes of determining the amount of tax due under Subsection (3)(h)(i), a seller shall use the most recent London fixing price for the specie legal tender the purchaser paid.

(B) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules for determining the amount of tax due under Subsection (3)(h)(i) if the London fixing price is not available for a particular day.

(4)(a) Except as provided in Subsections (5) through (7) and Section 59-12-108, the sales or use tax imposed by this chapter is due and payable to the commission quarterly on or before the last day of the month next succeeding each quarterly calendar period.

(b)(i) Each seller shall, on or before the last day of the month next succeeding each quarterly calendar period, file with the commission a return for the preceding

437 quarterly period.

438 (ii) The seller shall remit with the return under Subsection (4)(b)(i) the amount of the
439 tax required under this chapter to be collected or paid for the period covered by
440 the return.

441 (c) Except as provided in Subsection (5)(c), a return shall contain information and be in
442 a form the commission prescribes by rule.

443 (d)(i) Subject to Subsection (4)(d)(ii), the sales tax as computed in the return shall be
444 based on the total nonexempt sales made during the period for which the return is
445 filed, including both cash and charge sales.

446 (ii) For a sale that includes the delivery or installation of tangible personal property at
447 a location other than a seller's place of business described in Subsection (2)(a)(i),
448 if the delivery or installation is separately stated on an invoice or receipt, a seller
449 may compute the tax due on the sale for purposes of Subsection (4)(d)(i) based on
450 the amount the seller receives for that sale during each period for which the seller
451 receives payment for the sale.

452 (e)(i) The use tax as computed in the return shall be based on the total amount of
453 purchases for storage, use, or other consumption in this state made during the
454 period for which the return is filed, including both cash and charge purchases.

455 (ii)(A) As used in this Subsection (4)(e)(ii), "qualifying purchaser" means a
456 purchaser that is required to remit taxes under this chapter, but is not required
457 to remit taxes monthly in accordance with Section 59-12-108, and that converts
458 tangible personal property into real property.

459 (B) Subject to Subsections (4)(e)(ii)(C) and (D), a qualifying purchaser may remit
460 the taxes due under this chapter on tangible personal property for which the
461 qualifying purchaser claims an exemption as allowed under Subsection
462 59-12-104(23) or (25) based on the period in which the qualifying purchaser
463 receives payment, in accordance with Subsection (4)(e)(ii)(C), for the
464 conversion of the tangible personal property into real property.

465 (C) A qualifying purchaser remitting taxes due under this chapter in accordance
466 with Subsection (4)(e)(ii)(B) shall remit an amount equal to the total amount of
467 tax due on the qualifying purchaser's purchase of the tangible personal property
468 that was converted into real property multiplied by a fraction, the numerator of
469 which is the payment received in the period for the qualifying purchaser's sale
470 of the tangible personal property that was converted into real property and the

- 471 denominator of which is the entire sales price for the qualifying purchaser's
472 sale of the tangible personal property that was converted into real property.
- 473 (D) A qualifying purchaser may remit taxes due under this chapter in accordance
474 with this Subsection (4)(e)(ii) only if the books and records that the qualifying
475 purchaser keeps in the qualifying purchaser's regular course of business
476 identify by reasonable and verifiable standards that the tangible personal
477 property was converted into real property.
- 478 (f)(i) Subject to Subsection (4)(f)(ii) and in accordance with Title 63G, Chapter 3,
479 Utah Administrative Rulemaking Act, the commission may by rule extend the
480 time for making returns and paying the taxes.
- 481 (ii) An extension under Subsection (4)(f)(i) may not be for more than 90 days.
- 482 (g) The commission may require returns and payment of the tax to be made for other
483 than quarterly periods if the commission considers it necessary in order to ensure the
484 payment of the tax imposed by this chapter.
- 485 (h)(i) The commission may require a seller that files a simplified electronic return
486 with the commission to file an additional electronic report with the commission.
- 487 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
488 the commission may make rules providing:
- 489 (A) the information required to be included in the additional electronic report
490 described in Subsection (4)(h)(i); and
- 491 (B) one or more due dates for filing the additional electronic report described in
492 Subsection (4)(h)(i).
- 493 (5)(a) As used in this Subsection (5) and Subsection (6)(b), "voluntary seller" means a
494 seller that is:
- 495 (i) registered under the agreement;
- 496 (ii) described in Subsection (2)(d); and
- 497 (iii) not a:
- 498 (A) model 1 seller;
- 499 (B) model 2 seller; or
- 500 (C) model 3 seller.
- 501 (b)(i) Except as provided in Subsection (5)(b)(ii), a tax a voluntary seller collects in
502 accordance with Subsection (2)(d) is due and payable:
- 503 (A) to the commission;
- 504 (B) annually; and

- 505 (C) on or before the last day of the month immediately following the last day of
506 each calendar year.
- 507 (ii) The commission may require that a tax a voluntary seller collects in accordance
508 with Subsection (2)(d) be due and payable:
- 509 (A) to the commission; and
- 510 (B) on the last day of the month immediately following any month in which the
511 seller accumulates a total of at least \$1,000 in agreement sales and use tax.
- 512 (c)(i) If a voluntary seller remits a tax to the commission in accordance with
513 Subsection (5)(b), the voluntary seller shall file a return:
- 514 (A) with the commission;
- 515 (B) with respect to the tax;
- 516 (C) containing information prescribed by the commission; and
- 517 (D) on a form prescribed by the commission.
- 518 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
519 the commission shall make rules prescribing:
- 520 (A) the information required to be contained in a return described in Subsection
521 (5)(c)(i); and
- 522 (B) the form described in Subsection (5)(c)(i)(D).
- 523 (d) A tax a voluntary seller collects in accordance with this Subsection (5) shall be
524 calculated on the basis of the total amount of taxable transactions under Subsection
525 59-12-103(1) the voluntary seller completes, including:
- 526 (i) a cash transaction; and
- 527 (ii) a charge transaction.
- 528 (6)(a) Except as provided in Subsection (6)(b), a tax a seller that files a simplified
529 electronic return collects in accordance with this chapter is due and payable:
- 530 (i) monthly on or before the last day of the month immediately following the month
531 for which the seller collects a tax under this chapter; and
- 532 (ii) for the month for which the seller collects a tax under this chapter.
- 533 (b) A tax a voluntary seller that files a simplified electronic return collects in accordance
534 with this chapter is due and payable as provided in Subsection (5).
- 535 (7)(a) On each vehicle sale made by other than a regular licensed vehicle dealer, the
536 purchaser shall pay the sales or use tax directly to the commission if the vehicle is
537 subject to titling or registration under the laws of this state.
- 538 (b) The commission shall collect the tax described in Subsection (7)(a) when the vehicle

is titled or registered.

(c) If a commission investigation under Section 41-1a-202 determines that an owner of a vehicle or vessel is not in compliance with this chapter, the owner shall pay a liability under this chapter directly to the commission if the vehicle or vessel is subject to titling or registration under the laws of this state.

(8) If any sale of tangible personal property or any other taxable transaction under Subsection 59-12-103(1), is made by a wholesaler to a retailer:

(a) the wholesaler is not responsible for the collection or payment of the tax imposed on the sale; and

(b) the retailer is responsible for the collection or payment of the tax imposed on the sale if:

(i) the retailer represents that the tangible personal property, product transferred electronically, or service is purchased by the retailer for resale; and

(ii) the tangible personal property, product transferred electronically, or service is not subsequently resold.

(9) If any sale of property or service subject to the tax is made to a person prepaying sales or use tax in accordance with Title 63M, Chapter 5, Resource Development Act, or to a contractor or subcontractor of that person:

(a) the person to whom such payment or consideration is payable is not responsible for the collection or payment of the sales or use tax; and

(b) the person prepaying the sales or use tax is responsible for the collection or payment of the sales or use tax if the person prepaying the sales or use tax represents that the amount prepaid as sales or use tax has not been fully credited against sales or use tax due and payable under the rules promulgated by the commission.

(10)(a) For purposes of this Subsection (10):

(i) Except as provided in Subsection (10)(a)(ii), "bad debt" means the same as that term is defined in Section 166, Internal Revenue Code.

(ii) "Bad debt" does not include:

(A) an amount included in the purchase price of tangible personal property, a product transferred electronically, or a service that is:

(I) not a transaction described in Subsection 59-12-103(1); or

(II) exempt under Section 59-12-104;

(B) a financing charge;

(C) interest;

- 573 (D) a tax imposed under this chapter on the purchase price of tangible personal
574 property, a product transferred electronically, or a service;
- 575 (E) an uncollectible amount on tangible personal property or a product transferred
576 electronically that:
- 577 (I) is subject to a tax under this chapter; and
- 578 (II) remains in the possession of a seller until the full purchase price is paid;
- 579 (F) an expense incurred in attempting to collect any debt; or
- 580 (G) an amount that a seller does not collect on repossessed property.
- 581 (b)(i) To the extent an amount remitted in accordance with Subsection (4)(d) later
582 becomes bad debt, a seller may deduct the bad debt from the total amount from
583 which a tax under this chapter is calculated on a return.
- 584 (ii) A qualifying purchaser, as defined in Subsection (4)(e)(ii)(A), may deduct from
585 the total amount of taxes due under this chapter the amount of tax the qualifying
586 purchaser paid on the qualifying purchaser's purchase of tangible personal
587 property converted into real property to the extent that:
- 588 (A) tax was remitted in accordance with Subsection (4)(e) on that tangible
589 personal property converted into real property;
- 590 (B) the qualifying purchaser's sale of that tangible personal property converted
591 into real property later becomes bad debt; and
- 592 (C) the books and records that the qualifying purchaser keeps in the qualifying
593 purchaser's regular course of business identify by reasonable and verifiable
594 standards that the tangible personal property was converted into real property.
- 595 (c) A seller may file a refund claim with the commission if:
- 596 (i) the amount of bad debt for the time period described in Subsection (10)(e) exceeds
597 the amount of the seller's sales that are subject to a tax under this chapter for that
598 same time period; and
- 599 (ii) as provided in Section 59-1-1410.
- 600 (d) A bad debt deduction under this section may not include interest.
- 601 (e) A bad debt may be deducted under this Subsection (10) on a return for the time
602 period during which the bad debt:
- 603 (i) is written off as uncollectible in the seller's books and records; and
- 604 (ii) would be eligible for a bad debt deduction:
- 605 (A) for federal income tax purposes; and
- 606 (B) if the seller were required to file a federal income tax return.

- 607 (f) If a seller recovers any portion of bad debt for which the seller makes a deduction or
608 claims a refund under this Subsection (10), the seller shall report and remit a tax
609 under this chapter:
- 610 (i) on the portion of the bad debt the seller recovers; and
611 (ii) on a return filed for the time period for which the portion of the bad debt is
612 recovered.
- 613 (g) For purposes of reporting a recovery of a portion of bad debt under Subsection (10)(f),
614 a seller shall apply amounts received on the bad debt in the following order:
- 615 (i) in a proportional amount:
- 616 (A) to the purchase price of the tangible personal property, product transferred
617 electronically, or service; and
- 618 (B) to the tax due under this chapter on the tangible personal property, product
619 transferred electronically, or service; and
- 620 (ii) to:
- 621 (A) interest charges;
622 (B) service charges; and
623 (C) other charges.
- 624 (h) A seller's certified service provider may make a deduction or claim a refund for bad
625 debt on behalf of the seller:
- 626 (i) in accordance with this Subsection (10); and
627 (ii) if the certified service provider credits or refunds the entire amount of the bad
628 debt deduction or refund to the seller.
- 629 (i) A seller may allocate bad debt among the states that are members of the agreement if
630 the seller's books and records support that allocation.
- 631 (11)(a) A seller may not, with intent to evade any tax, fail to timely remit the full
632 amount of tax required by this chapter.
- 633 (b) A violation of this section is punishable as provided in Section 59-1-401.
- 634 (c) Each person that fails to pay any tax to the state or any amount of tax required to be
635 paid to the state, except amounts determined to be due by the commission under
636 Chapter 1, Part 14, Assessment, Collections, and Refunds Act, or Section 59-12-111,
637 within the time required by this chapter, or that fails to file any return as required by
638 this chapter, shall pay, in addition to the tax, penalties and interest as provided in
639 Sections 59-1-401 and 59-1-402.
- 640 (d) For purposes of prosecution under this section, each quarterly tax period in which a

641 seller, with intent to evade any tax, collects a tax and fails to timely remit the full
642 amount of the tax required to be remitted constitutes a separate offense.

643 **Section 5. Effective date.**

644 This bill takes effect:

645 (1) except as provided in Subsection (2), May 7, 2025; or

646 (2) if approved by two-thirds of all the members elected to each house:

647 (a) upon approval by the governor;

648 (b) without the governor's signature, the day following the constitutional time limit of
649 Utah Constitution, Article VII, Section 8; or

650 (c) in the case of a veto, the date of veto override.

651 **Section 6. Coordinating S.B. 52 with S.B. 195.**

652 If S.B. 52, Vehicle Registration Modifications, and S.B. 195, Transportation

653 Amendments, both pass and become law, the Legislature intends that, on May 7, 2025:

654 (1) the changes in S.B. 195 to the following sections not be made: Section 41-6a-102,

655 Section 41-6a-1102, and Section 41-1a-1116; and

656 (2) the following sections enacted in S.B. 195 be deleted: Section 41-6a-1121 and Section
657 41-6a-1122.