

VEHICLE SALES TAX EXEMPTION MODIFICATIONS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Bradley G. Last

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill amends provisions of a sales tax exemption related to vehicles to include only those vehicles not required to be registered in this state because the vehicle is used outside of the state for at least an aggregate of six months of a calendar year.

Highlighted Provisions:

This bill:

- ▶ amends provisions of a sales tax exemption related to vehicles to include only those vehicles not required to be registered in this state because the vehicle is used outside of the state for at least an aggregate of six months of a calendar year.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-12-104, as last amended by Laws of Utah 2019, Chapters 136 and 486

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

Section 1. Section **59-12-104** is amended to read:

59-12-104. Exemptions.

Exemptions from the taxes imposed by this chapter are as follows:

(1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax

under Chapter 13, Motor and Special Fuel Tax Act;

(2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political subdivisions; however, this exemption does not apply to sales of:

(a) construction materials except:

(i) construction materials purchased by or on behalf of institutions of the public education system as defined in Utah Constitution, Article X, Section 2, provided the construction materials are clearly identified and segregated and installed or converted to real property which is owned by institutions of the public education system; and

(ii) construction materials purchased by the state, its institutions, or its political subdivisions which are installed or converted to real property by employees of the state, its institutions, or its political subdivisions; or

(b) tangible personal property in connection with the construction, operation, maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or facilities providing additional project capacity, as defined in Section 11-13-103;

(3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:

(i) the proceeds of each sale do not exceed \$1; and

(ii) the seller or operator of the vending machine reports an amount equal to 150% of the cost of the item described in Subsection (3)(b) as goods consumed; and

(b) Subsection (3)(a) applies to:

(i) food and food ingredients; or

(ii) prepared food;

(4) (a) sales of the following to a commercial airline carrier for in-flight consumption:

(i) alcoholic beverages;

(ii) food and food ingredients; or

(iii) prepared food;

(b) sales of tangible personal property or a product transferred electronically:

(i) to a passenger;

(ii) by a commercial airline carrier; and

58 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
59 (c) services related to Subsection (4)(a) or (b);
60 (5) (a) (i) beginning on July 1, 2008, and ending on September 30, 2008, sales of parts
61 and equipment:
62 (A) (I) by an establishment described in NAICS Code 336411 or 336412 of the 2002
63 North American Industry Classification System of the federal Executive Office of the
64 President, Office of Management and Budget; and
65 (II) for:
66 (Aa) installation in an aircraft, including services relating to the installation of parts or
67 equipment in the aircraft;
68 (Bb) renovation of an aircraft; or
69 (Cc) repair of an aircraft; or
70 (B) for installation in an aircraft operated by a common carrier in interstate or foreign
71 commerce; or
72 (ii) beginning on October 1, 2008, sales of parts and equipment for installation in an
73 aircraft operated by a common carrier in interstate or foreign commerce; and
74 (b) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,
75 a person may claim the exemption allowed by Subsection (5)(a)(i)(B) for a sale by filing for a
76 refund:
77 (i) if the sale is made on or after July 1, 2008, but on or before September 30, 2008;
78 (ii) as if Subsection (5)(a)(i)(B) were in effect on the day on which the sale is made;
79 (iii) if the person did not claim the exemption allowed by Subsection (5)(a)(i)(B) for
80 the sale prior to filing for the refund;
81 (iv) for sales and use taxes paid under this chapter on the sale;
82 (v) in accordance with Section 59-1-1410; and
83 (vi) subject to any extension allowed for filing for a refund under Section 59-1-1410, if
84 the person files for the refund on or before September 30, 2011;
85 (6) sales of commercials, motion picture films, prerecorded audio program tapes or

records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture exhibitor, distributor, or commercial television or radio broadcaster;

(7) (a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of cleaning or washing of tangible personal property if the cleaning or washing of the tangible personal property is not assisted cleaning or washing of tangible personal property;

(b) if a seller that sells at the same business location assisted cleaning or washing of tangible personal property and cleaning or washing of tangible personal property that is not assisted cleaning or washing of tangible personal property, the exemption described in Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning or washing of the tangible personal property; and

(c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules:

(i) governing the circumstances under which sales are at the same business location; and

(ii) establishing the procedures and requirements for a seller to separately account for sales of assisted cleaning or washing of tangible personal property;

(8) sales made to or by religious or charitable institutions in the conduct of their regular religious or charitable functions and activities, if the requirements of Section 59-12-104.1 are fulfilled;

(9) sales of a vehicle of a type required to be registered under the motor vehicle laws of this state if the vehicle is:

(a) not registered in this state; and

(b) (i) not used in this state; or

(ii) used in this state:

(A) if the vehicle is not used to conduct business, for a time period that does not exceed the longer of:

(I) 30 days in any calendar year; or

(II) the time period necessary to transport the vehicle to the borders of this state; or

(B) if the vehicle is used to conduct business, for the time period necessary to transport the vehicle to the borders of this state;

(10) (a) amounts paid for an item described in Subsection (10)(b) if:

(i) the item is intended for human use; and

(ii) (A) a prescription was issued for the item; or

(B) the item was purchased by a hospital or other medical facility; and

(b) (i) Subsection (10)(a) applies to:

(A) a drug;

(B) a syringe; or

(C) a stoma supply; and

(ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the terms:

(A) "syringe"; or

(B) "stoma supply";

(11) purchases or leases exempt under Section 19-12-201;

(12) (a) sales of an item described in Subsection (12)(c) served by:

(i) the following if the item described in Subsection (12)(c) is not available to the general public:

(A) a church; or

(B) a charitable institution; or

(ii) an institution of higher education if:

(A) the item described in Subsection (12)(c) is not available to the general public; or

(B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan offered by the institution of higher education; or

(b) sales of an item described in Subsection (12)(c) provided for a patient by:

(i) a medical facility; or

(ii) a nursing facility; and

(c) Subsections (12)(a) and (b) apply to:

142 (i) food and food ingredients;

143 (ii) prepared food; or

144 (iii) alcoholic beverages;

145 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property
146 or a product transferred electronically by a person:

147 (i) regardless of the number of transactions involving the sale of that tangible personal
148 property or product transferred electronically by that person; and

149 (ii) not regularly engaged in the business of selling that type of tangible personal
150 property or product transferred electronically;

151 (b) this Subsection (13) does not apply if:

152 (i) the sale is one of a series of sales of a character to indicate that the person is
153 regularly engaged in the business of selling that type of tangible personal property or product
154 transferred electronically;

155 (ii) the person holds that person out as regularly engaged in the business of selling that
156 type of tangible personal property or product transferred electronically;

157 (iii) the person sells an item of tangible personal property or product transferred
158 electronically that the person purchased as a sale that is exempt under Subsection (25); or

159 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of
160 this state in which case the tax is based upon:

161 (A) the bill of sale or other written evidence of value of the vehicle or vessel being
162 sold; or

163 (B) in the absence of a bill of sale or other written evidence of value, the fair market
164 value of the vehicle or vessel being sold at the time of the sale as determined by the
165 commission; and

166 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
167 commission shall make rules establishing the circumstances under which:

168 (i) a person is regularly engaged in the business of selling a type of tangible personal
169 property or product transferred electronically;

(ii) a sale of tangible personal property or a product transferred electronically is one of a series of sales of a character to indicate that a person is regularly engaged in the business of selling that type of tangible personal property or product transferred electronically; or

(iii) a person holds that person out as regularly engaged in the business of selling a type of tangible personal property or product transferred electronically;

(14) amounts paid or charged for a purchase or lease of machinery, equipment, normal operating repair or replacement parts, or materials, except for office equipment or office supplies, by:

(a) a manufacturing facility that:

(i) is located in the state; and

(ii) uses or consumes the machinery, equipment, normal operating repair or replacement parts, or materials:

(A) in the manufacturing process to manufacture an item sold as tangible personal property, as the commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; or

(B) for a scrap recycler, to process an item sold as tangible personal property, as the commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

(b) an establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

(i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget;

(ii) is located in the state; and

(iii) uses or consumes the machinery, equipment, normal operating repair or replacement parts, or materials in:

(A) the production process to produce an item sold as tangible personal property, as the commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

(B) research and development, as the commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

(C) transporting, storing, or managing tailings, overburden, or similar waste materials produced from mining;

(D) developing or maintaining a road, tunnel, excavation, or similar feature used in mining; or

(E) preventing, controlling, or reducing dust or other pollutants from mining; or

(c) an establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

(i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget;

(ii) is located in the state; and

(iii) uses or consumes the machinery, equipment, normal operating repair or replacement parts, or materials in the operation of the web search portal;

(15) (a) sales of the following if the requirements of Subsection (15)(b) are met:

(i) tooling;

(ii) special tooling;

(iii) support equipment;

(iv) special test equipment; or

(v) parts used in the repairs or renovations of tooling or equipment described in Subsections (15)(a)(i) through (iv); and

(b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:

(i) the tooling, equipment, or parts are used or consumed exclusively in the performance of any aerospace or electronics industry contract with the United States

government or any subcontract under that contract; and

(ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i), title to the tooling, equipment, or parts is vested in the United States government as evidenced by:

(A) a government identification tag placed on the tooling, equipment, or parts; or

(B) listing on a government-approved property record if placing a government identification tag on the tooling, equipment, or parts is impractical;

(16) sales of newspapers or newspaper subscriptions;

(17) (a) except as provided in Subsection (17)(b), tangible personal property or a product transferred electronically traded in as full or part payment of the purchase price, except that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:

(i) the bill of sale or other written evidence of value of the vehicle being sold and the vehicle being traded in; or

(ii) in the absence of a bill of sale or other written evidence of value, the then existing fair market value of the vehicle being sold and the vehicle being traded in, as determined by the commission; and

(b) Subsection (17)(a) does not apply to the following items of tangible personal property or products transferred electronically traded in as full or part payment of the purchase price:

(i) money;

(ii) electricity;

(iii) water;

(iv) gas; or

(v) steam;

(18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal property or a product transferred electronically used or consumed primarily and directly in farming operations, regardless of whether the tangible personal property or product transferred

254 electronically:

255 (A) becomes part of real estate; or

256 (B) is installed by a:

257 (I) farmer;

258 (II) contractor; or

259 (III) subcontractor; or

260 (ii) sales of parts used in the repairs or renovations of tangible personal property or a

261 product transferred electronically if the tangible personal property or product transferred

262 electronically is exempt under Subsection (18)(a)(i); and

263 (b) amounts paid or charged for the following are subject to the taxes imposed by this

264 chapter:

265 (i) (A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or

266 supplies if used in a manner that is incidental to farming; and

267 (B) tangible personal property that is considered to be used in a manner that is

268 incidental to farming includes:

269 (I) hand tools; or

270 (II) maintenance and janitorial equipment and supplies;

271 (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product

272 transferred electronically if the tangible personal property or product transferred electronically

273 is used in an activity other than farming; and

274 (B) tangible personal property or a product transferred electronically that is considered

275 to be used in an activity other than farming includes:

276 (I) office equipment and supplies; or

277 (II) equipment and supplies used in:

278 (Aa) the sale or distribution of farm products;

279 (Bb) research; or

280 (Cc) transportation; or

281 (iii) a vehicle required to be registered by the laws of this state during the period

282 ending two years after the date of the vehicle's purchase;
283 (19) sales of hay;
284 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or
285 garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or
286 garden, farm, or other agricultural produce is sold by:
287 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other
288 agricultural produce;
289 (b) an employee of the producer described in Subsection (20)(a); or
290 (c) a member of the immediate family of the producer described in Subsection (20)(a);
291 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued
292 under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
293 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
294 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,
295 wholesaler, or retailer for use in packaging tangible personal property to be sold by that
296 manufacturer, processor, wholesaler, or retailer;
297 (23) a product stored in the state for resale;
298 (24) (a) purchases of a product if:
299 (i) the product is:
300 (A) purchased outside of this state;
301 (B) brought into this state:
302 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and
303 (II) by a nonresident person who is not living or working in this state at the time of the
304 purchase;
305 (C) used for the personal use or enjoyment of the nonresident person described in
306 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and
307 (D) not used in conducting business in this state; and
308 (ii) for:
309 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of

the product for a purpose for which the product is designed occurs outside of this state;

(B) a boat, the boat is registered outside of this state; or

(C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered outside of this state;

(b) the exemption provided for in Subsection (24)(a) does not apply to:

(i) a lease or rental of a product; or

(ii) a sale of a vehicle exempt under Subsection (33); and

(c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for purposes of Subsection (24)(a), the commission may by rule define what constitutes the following:

(i) conducting business in this state if that phrase has the same meaning in this Subsection (24) as in Subsection (63);

(ii) the first use of a product if that phrase has the same meaning in this Subsection (24) as in Subsection (63); or

(iii) a purpose for which a product is designed if that phrase has the same meaning in this Subsection (24) as in Subsection (63);

(25) a product purchased for resale in the regular course of business, either in its original form or as an ingredient or component part of a manufactured or compounded product;

(26) a product upon which a sales or use tax was paid to some other state, or one of its subdivisions, except that the state shall be paid any difference between the tax paid and the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax Act;

(27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a person for use in compounding a service taxable under the subsections;

(28) purchases made in accordance with the special supplemental nutrition program for women, infants, and children established in 42 U.S.C. Sec. 1786;

(29) sales or leases of rolls, rollers, refractory brick, electric motors, or other

338 replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code
339 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of
340 the President, Office of Management and Budget;

341 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State
342 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:

343 (a) not registered in this state; and
344 (b) (i) not used in this state; or
345 (ii) used in this state:

346 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a
347 time period that does not exceed the longer of:

348 (I) 30 days in any calendar year; or
349 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to
350 the borders of this state; or

351 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time
352 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this
353 state;

354 (31) sales of aircraft manufactured in Utah;

355 (32) amounts paid for the purchase of telecommunications service for purposes of
356 providing telecommunications service;

357 (33) sales, leases, or uses of the following:

358 (a) a vehicle by an authorized carrier; or
359 (b) tangible personal property that is installed on a vehicle:

360 (i) sold or leased to or used by an authorized carrier; and
361 (ii) before the vehicle is placed in service for the first time;

362 (34) (a) 45% of the sales price of any new manufactured home; and
363 (b) 100% of the sales price of any used manufactured home;

364 (35) sales relating to schools and fundraising sales;

365 (36) sales or rentals of durable medical equipment if:

366 (a) a person presents a prescription for the durable medical equipment; and
367 (b) the durable medical equipment is used for home use only;
368 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in
369 Section 72-11-102; and
370 (b) the commission shall by rule determine the method for calculating sales exempt
371 under Subsection (37)(a) that are not separately metered and accounted for in utility billings;
372 (38) sales to a ski resort of:
373 (a) snowmaking equipment;
374 (b) ski slope grooming equipment;
375 (c) passenger ropeways as defined in Section 72-11-102; or
376 (d) parts used in the repairs or renovations of equipment or passenger ropeways
377 described in Subsections (38)(a) through (c);
378 (39) sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use;
379 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for
380 amusement, entertainment, or recreation an unassisted amusement device as defined in Section
381 59-12-102;
382 (b) if a seller that sells or rents at the same business location the right to use or operate
383 for amusement, entertainment, or recreation one or more unassisted amusement devices and
384 one or more assisted amusement devices, the exemption described in Subsection (40)(a)
385 applies if the seller separately accounts for the sales or rentals of the right to use or operate for
386 amusement, entertainment, or recreation for the assisted amusement devices; and
387 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3,
388 Utah Administrative Rulemaking Act, the commission may make rules:
389 (i) governing the circumstances under which sales are at the same business location;
390 and
391 (ii) establishing the procedures and requirements for a seller to separately account for
392 the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for
393 assisted amusement devices;

394 (41) (a) sales of photocopies by:
395 (i) a governmental entity; or
396 (ii) an entity within the state system of public education, including:
397 (A) a school; or
398 (B) the State Board of Education; or
399 (b) sales of publications by a governmental entity;
400 (42) amounts paid for admission to an athletic event at an institution of higher
401 education that is subject to the provisions of Title IX of the Education Amendments of 1972,
402 20 U.S.C. Sec. 1681 et seq.;
403 (43) (a) sales made to or by:
404 (i) an area agency on aging; or
405 (ii) a senior citizen center owned by a county, city, or town; or
406 (b) sales made by a senior citizen center that contracts with an area agency on aging;
407 (44) sales or leases of semiconductor fabricating, processing, research, or development
408 materials regardless of whether the semiconductor fabricating, processing, research, or
409 development materials:
410 (a) actually come into contact with a semiconductor; or
411 (b) ultimately become incorporated into real property;
412 (45) an amount paid by or charged to a purchaser for accommodations and services
413 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section
414 59-12-104.2;
415 (46) beginning on September 1, 2001, the lease or use of a vehicle issued a temporary
416 sports event registration certificate in accordance with Section 41-3-306 for the event period
417 specified on the temporary sports event registration certificate;
418 (47) (a) sales or uses of electricity, if the sales or uses are made under a retail tariff
419 adopted by the Public Service Commission only for purchase of electricity produced from a
420 new alternative energy source built after January 1, 2016, as designated in the tariff by the
421 Public Service Commission; and

422 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
423 only to the portion of the tariff rate a customer pays under the tariff described in Subsection
424 (47)(a) that exceeds the tariff rate under the tariff described in Subsection (47)(a) that the
425 customer would have paid absent the tariff;

426 (48) sales or rentals of mobility enhancing equipment if a person presents a
427 prescription for the mobility enhancing equipment;

428 (49) sales of water in a:

429 (a) pipe;

430 (b) conduit;

431 (c) ditch; or

432 (d) reservoir;

433 (50) sales of currency or coins that constitute legal tender of a state, the United States,
434 or a foreign nation;

435 (51) (a) sales of an item described in Subsection (51)(b) if the item:

436 (i) does not constitute legal tender of a state, the United States, or a foreign nation; and

437 (ii) has a gold, silver, or platinum content of 50% or more; and

438 (b) Subsection (51)(a) applies to a gold, silver, or platinum:

439 (i) ingot;

440 (ii) bar;

441 (iii) medallion; or

442 (iv) decorative coin;

443 (52) amounts paid on a sale-leaseback transaction;

444 (53) sales of a prosthetic device:

445 (a) for use on or in a human; and

446 (b) (i) for which a prescription is required; or

447 (ii) if the prosthetic device is purchased by a hospital or other medical facility;

448 (54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
449 machinery or equipment by an establishment described in Subsection (54)(c) if the machinery

or equipment is primarily used in the production or postproduction of the following media for commercial distribution:

- (i) a motion picture;
- (ii) a television program;
- (iii) a movie made for television;
- (iv) a music video;
- (v) a commercial;
- (vi) a documentary; or
- (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the

commission by administrative rule made in accordance with Subsection (54)(d); or

(b) purchases, leases, or rentals of machinery or equipment by an establishment described in Subsection (54)(c) that is used for the production or postproduction of the following are subject to the taxes imposed by this chapter:

- (i) a live musical performance;
- (ii) a live news program; or
- (iii) a live sporting event;
- (c) the following establishments listed in the 1997 North American Industry

Classification System of the federal Executive Office of the President, Office of Management and Budget, apply to Subsections (54)(a) and (b):

- (i) NAICS Code 512110; or
- (ii) NAICS Code 51219; and

(d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule:

- (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);

or

- (ii) define:
 - (A) "commercial distribution";
 - (B) "live musical performance";

478 (C) "live news program"; or
479 (D) "live sporting event";
480 (55) (a) leases of seven or more years or purchases made on or after July 1, 2004, but
481 on or before June 30, 2027, of tangible personal property that:
482 (i) is leased or purchased for or by a facility that:
483 (A) is an alternative energy electricity production facility;
484 (B) is located in the state; and
485 (C) (I) becomes operational on or after July 1, 2004; or
486 (II) has its generation capacity increased by one or more megawatts on or after July 1,
487 2004, as a result of the use of the tangible personal property;
488 (ii) has an economic life of five or more years; and
489 (iii) is used to make the facility or the increase in capacity of the facility described in
490 Subsection (55)(a)(i) operational up to the point of interconnection with an existing
491 transmission grid including:
492 (A) a wind turbine;
493 (B) generating equipment;
494 (C) a control and monitoring system;
495 (D) a power line;
496 (E) substation equipment;
497 (F) lighting;
498 (G) fencing;
499 (H) pipes; or
500 (I) other equipment used for locating a power line or pole; and
501 (b) this Subsection (55) does not apply to:
502 (i) tangible personal property used in construction of:
503 (A) a new alternative energy electricity production facility; or
504 (B) the increase in the capacity of an alternative energy electricity production facility;
505 (ii) contracted services required for construction and routine maintenance activities;

506 and

507 (iii) unless the tangible personal property is used or acquired for an increase in capacity
508 of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal property used or
509 acquired after:

510 (A) the alternative energy electricity production facility described in Subsection
511 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or

512 (B) the increased capacity described in Subsection (55)(a)(i) is operational as described
513 in Subsection (55)(a)(iii);

514 (56) (a) leases of seven or more years or purchases made on or after July 1, 2004, but
515 on or before June 30, 2027, of tangible personal property that:

516 (i) is leased or purchased for or by a facility that:

517 (A) is a waste energy production facility;

518 (B) is located in the state; and

519 (C) (I) becomes operational on or after July 1, 2004; or

520 (II) has its generation capacity increased by one or more megawatts on or after July 1,
521 2004, as a result of the use of the tangible personal property;

522 (ii) has an economic life of five or more years; and

523 (iii) is used to make the facility or the increase in capacity of the facility described in
524 Subsection (56)(a)(i) operational up to the point of interconnection with an existing
525 transmission grid including:

526 (A) generating equipment;

527 (B) a control and monitoring system;

528 (C) a power line;

529 (D) substation equipment;

530 (E) lighting;

531 (F) fencing;

532 (G) pipes; or

533 (H) other equipment used for locating a power line or pole; and

534 (b) this Subsection (56) does not apply to:

535 (i) tangible personal property used in construction of:

536 (A) a new waste energy facility; or

537 (B) the increase in the capacity of a waste energy facility;

538 (ii) contracted services required for construction and routine maintenance activities;

539 and

540 (iii) unless the tangible personal property is used or acquired for an increase in capacity

541 described in Subsection (56)(a)(i)(C)(II), tangible personal property used or acquired after:

542 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as

543 described in Subsection (56)(a)(iii); or

544 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described

545 in Subsection (56)(a)(iii);

546 (57) (a) leases of five or more years or purchases made on or after July 1, 2004, but on

547 or before June 30, 2027, of tangible personal property that:

548 (i) is leased or purchased for or by a facility that:

549 (A) is located in the state;

550 (B) produces fuel from alternative energy, including:

551 (I) methanol; or

552 (II) ethanol; and

553 (C) (I) becomes operational on or after July 1, 2004; or

554 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as

555 a result of the installation of the tangible personal property;

556 (ii) has an economic life of five or more years; and

557 (iii) is installed on the facility described in Subsection (57)(a)(i);

558 (b) this Subsection (57) does not apply to:

559 (i) tangible personal property used in construction of:

560 (A) a new facility described in Subsection (57)(a)(i); or

561 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or

- 562 (ii) contracted services required for construction and routine maintenance activities;
563 and
- 564 (iii) unless the tangible personal property is used or acquired for an increase in capacity
565 described in Subsection (57)(a)(i)(C)(II), tangible personal property used or acquired after:
- 566 (A) the facility described in Subsection (57)(a)(i) is operational; or
567 (B) the increased capacity described in Subsection (57)(a)(i) is operational;
- 568 (58) (a) subject to Subsection (58)(b) or (c), sales of tangible personal property or a
569 product transferred electronically to a person within this state if that tangible personal property
570 or product transferred electronically is subsequently shipped outside the state and incorporated
571 pursuant to contract into and becomes a part of real property located outside of this state;
- 572 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other
573 state or political entity to which the tangible personal property is shipped imposes a sales, use,
574 gross receipts, or other similar transaction excise tax on the transaction against which the other
575 state or political entity allows a credit for sales and use taxes imposed by this chapter; and
- 576 (c) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,
577 a person may claim the exemption allowed by this Subsection (58) for a sale by filing for a
578 refund:
- 579 (i) if the sale is made on or after July 1, 2004, but on or before June 30, 2008;
580 (ii) as if this Subsection (58) as in effect on July 1, 2008, were in effect on the day on
581 which the sale is made;
- 582 (iii) if the person did not claim the exemption allowed by this Subsection (58) for the
583 sale prior to filing for the refund;
- 584 (iv) for sales and use taxes paid under this chapter on the sale;
585 (v) in accordance with Section 59-1-1410; and
586 (vi) subject to any extension allowed for filing for a refund under Section 59-1-1410, if
587 the person files for the refund on or before June 30, 2011;
- 588 (59) purchases:
- 589 (a) of one or more of the following items in printed or electronic format:

590 (i) a list containing information that includes one or more:
591 (A) names; or
592 (B) addresses; or
593 (ii) a database containing information that includes one or more:
594 (A) names; or
595 (B) addresses; and
596 (b) used to send direct mail;
597 (60) redemptions or repurchases of a product by a person if that product was:
598 (a) delivered to a pawnbroker as part of a pawn transaction; and
599 (b) redeemed or repurchased within the time period established in a written agreement
600 between the person and the pawnbroker for redeeming or repurchasing the product;
601 (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:
602 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;
603 and
604 (ii) has a useful economic life of one or more years; and
605 (b) the following apply to Subsection (61)(a):
606 (i) telecommunications enabling or facilitating equipment, machinery, or software;
607 (ii) telecommunications equipment, machinery, or software required for 911 service;
608 (iii) telecommunications maintenance or repair equipment, machinery, or software;
609 (iv) telecommunications switching or routing equipment, machinery, or software; or
610 (v) telecommunications transmission equipment, machinery, or software;
611 (62) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible
612 personal property or a product transferred electronically that are used in the research and
613 development of alternative energy technology; and
614 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
615 commission may, for purposes of Subsection (62)(a), make rules defining what constitutes
616 purchases of tangible personal property or a product transferred electronically that are used in
617 the research and development of alternative energy technology;

618 (63) (a) purchases of tangible personal property or a product transferred electronically
619 if:

620 (i) the tangible personal property or product transferred electronically is:

621 (A) purchased outside of this state;

622 (B) brought into this state at any time after the purchase described in Subsection

623 (63)(a)(i)(A); and

624 (C) used in conducting business in this state; and

625 (ii) for:

626 (A) tangible personal property or a product transferred electronically other than the
627 tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property
628 for a purpose for which the property is designed occurs outside of this state; or

629 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered
630 outside of this state and not required to be registered in this state under Section [41-1a-202](#) or
631 [73-18-9](#) based on residency;

632 (b) the exemption provided for in Subsection (63)(a) does not apply to:

633 (i) a lease or rental of tangible personal property or a product transferred electronically;
634 or

635 (ii) a sale of a vehicle exempt under Subsection (33); and

636 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
637 purposes of Subsection (63)(a), the commission may by rule define what constitutes the
638 following:

639 (i) conducting business in this state if that phrase has the same meaning in this
640 Subsection (63) as in Subsection (24);

641 (ii) the first use of tangible personal property or a product transferred electronically if
642 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or

643 (iii) a purpose for which tangible personal property or a product transferred
644 electronically is designed if that phrase has the same meaning in this Subsection (63) as in
645 Subsection (24);

646 (64) sales of disposable home medical equipment or supplies if:

647 (a) a person presents a prescription for the disposable home medical equipment or

648 supplies;

649 (b) the disposable home medical equipment or supplies are used exclusively by the

650 person to whom the prescription described in Subsection (64)(a) is issued; and

651 (c) the disposable home medical equipment and supplies are listed as eligible for

652 payment under:

653 (i) Title XVIII, federal Social Security Act; or

654 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;

655 (65) sales:

656 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit

657 District Act; or

658 (b) of tangible personal property to a subcontractor of a public transit district, if the

659 tangible personal property is:

660 (i) clearly identified; and

661 (ii) installed or converted to real property owned by the public transit district;

662 (66) sales of construction materials:

663 (a) purchased on or after July 1, 2010;

664 (b) purchased by, on behalf of, or for the benefit of an international airport:

665 (i) located within a county of the first class; and

666 (ii) that has a United States customs office on its premises; and

667 (c) if the construction materials are:

668 (i) clearly identified;

669 (ii) segregated; and

670 (iii) installed or converted to real property:

671 (A) owned or operated by the international airport described in Subsection (66)(b); and

672 (B) located at the international airport described in Subsection (66)(b);

673 (67) sales of construction materials:

- 674 (a) purchased on or after July 1, 2008;
- 675 (b) purchased by, on behalf of, or for the benefit of a new airport:
- 676 (i) located within a county of the second class; and
- 677 (ii) that is owned or operated by a city in which an airline as defined in Section
- 678 59-2-102 is headquartered; and
- 679 (c) if the construction materials are:
- 680 (i) clearly identified;
- 681 (ii) segregated; and
- 682 (iii) installed or converted to real property:
- 683 (A) owned or operated by the new airport described in Subsection (67)(b);
- 684 (B) located at the new airport described in Subsection (67)(b); and
- 685 (C) as part of the construction of the new airport described in Subsection (67)(b);
- 686 (68) sales of fuel to a common carrier that is a railroad for use in a locomotive engine;
- 687 (69) purchases and sales described in Section 63H-4-111;
- 688 (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and
- 689 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of
- 690 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
- 691 lists a state or country other than this state as the location of registry of the fixed wing turbine
- 692 powered aircraft; or
- 693 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
- 694 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of
- 695 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
- 696 lists a state or country other than this state as the location of registry of the fixed wing turbine
- 697 powered aircraft;
- 698 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:
- 699 (a) to a person admitted to an institution of higher education; and
- 700 (b) by a seller, other than a bookstore owned by an institution of higher education, if
- 701 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a

textbook for a higher education course;

(72) a license fee or tax a municipality imposes in accordance with Subsection 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced level of municipal services;

(73) amounts paid or charged for construction materials used in the construction of a new or expanding life science research and development facility in the state, if the construction materials are:

(a) clearly identified;

(b) segregated; and

(c) installed or converted to real property;

(74) amounts paid or charged for:

(a) a purchase or lease of machinery and equipment that:

(i) are used in performing qualified research:

(A) as defined in Section 41(d), Internal Revenue Code; and

(B) in the state; and

(ii) have an economic life of three or more years; and

(b) normal operating repair or replacement parts:

(i) for the machinery and equipment described in Subsection (74)(a); and

(ii) that have an economic life of three or more years;

(75) a sale or lease of tangible personal property used in the preparation of prepared food if:

(a) for a sale:

(i) the ownership of the seller and the ownership of the purchaser are identical; and

(ii) the seller or the purchaser paid a tax under this chapter on the purchase of that

tangible personal property prior to making the sale; or

(b) for a lease:

(i) the ownership of the lessor and the ownership of the lessee are identical; and

(ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible

730 personal property prior to making the lease;

731 (76) (a) purchases of machinery or equipment if:

732 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,

733 Gambling, and Recreation Industries, of the 2012 North American Industry Classification

734 System of the federal Executive Office of the President, Office of Management and Budget;

735 (ii) the machinery or equipment:

736 (A) has an economic life of three or more years; and

737 (B) is used by one or more persons who pay admission or user fees described in

738 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment; and

739 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:

740 (A) amounts paid or charged as admission or user fees described in Subsection

741 59-12-103(1)(f); and

742 (B) subject to taxation under this chapter; and

743 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

744 commission may make rules for verifying that 51% of a purchaser's sales revenue for the

745 previous calendar quarter is:

746 (i) amounts paid or charged as admission or user fees described in Subsection

747 59-12-103(1)(f); and

748 (ii) subject to taxation under this chapter;

749 (77) purchases of a short-term lodging consumable by a business that provides

750 accommodations and services described in Subsection 59-12-103(1)(i);

751 (78) amounts paid or charged to access a database:

752 (a) if the primary purpose for accessing the database is to view or retrieve information

753 from the database; and

754 (b) not including amounts paid or charged for a:

755 (i) digital audiowork;

756 (ii) digital audio-visual work; or

757 (iii) digital book;

758 (79) amounts paid or charged for a purchase or lease made by an electronic financial
759 payment service, of:

760 (a) machinery and equipment that:

761 (i) are used in the operation of the electronic financial payment service; and

762 (ii) have an economic life of three or more years; and

763 (b) normal operating repair or replacement parts that:

764 (i) are used in the operation of the electronic financial payment service; and

765 (ii) have an economic life of three or more years;

766 (80) beginning on April 1, 2013, sales of a fuel cell as defined in Section 54-15-102;

767 (81) amounts paid or charged for a purchase or lease of tangible personal property or a
768 product transferred electronically if the tangible personal property or product transferred
769 electronically:

770 (a) is stored, used, or consumed in the state; and

771 (b) is temporarily brought into the state from another state:

772 (i) during a disaster period as defined in Section 53-2a-1202;

773 (ii) by an out-of-state business as defined in Section 53-2a-1202;

774 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and

775 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;

776 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined
777 in Section 39-9-102, made pursuant to Title 39, Chapter 9, State Morale, Welfare, and
778 Recreation Program;

779 (83) amounts paid or charged for a purchase or lease of molten magnesium;

780 (84) amounts paid or charged for a purchase or lease made by a qualifying enterprise
781 data center of machinery, equipment, or normal operating repair or replacement parts, if the
782 machinery, equipment, or normal operating repair or replacement parts:

783 (a) are used in the operation of the establishment; and

784 (b) have an economic life of one or more years;

785 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a

786 vehicle that includes cleaning or washing of the interior of the vehicle;

787 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal
788 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies used
789 or consumed:

790 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined
791 in Section 63M-4-701 located in the state;

792 (b) if the machinery, equipment, normal operating repair or replacement parts,
793 catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:

794 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is
795 added to gasoline or diesel fuel;

796 (ii) research and development;

797 (iii) transporting, storing, or managing raw materials, work in process, finished
798 products, and waste materials produced from refining gasoline or diesel fuel, or adding
799 blendstock to gasoline or diesel fuel;

800 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
801 refining; or

802 (v) preventing, controlling, or reducing pollutants from refining; and

803 (c) beginning on July 1, 2021, if the person has obtained a form certified by the Office
804 of Energy Development under Subsection 63M-4-702(2);

805 (87) amounts paid to or charged by a proprietor for accommodations and services, as
806 defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations tax
807 imposed under Section 63H-1-205;

808 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal
809 operating repair or replacement parts, or materials, except for office equipment or office
810 supplies, by an establishment, as the commission defines that term in accordance with Title
811 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

812 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North
813 American Industry Classification System of the federal Executive Office of the President,

814 Office of Management and Budget;
815 (b) is located in this state; and
816 (c) uses the machinery, equipment, normal operating repair or replacement parts, or
817 materials in the operation of the establishment; and
818 (89) amounts paid or charged for an item exempt under Section [59-12-104.10](#).