

Matt MacPherson proposes the following substitute bill:

**Firearm Safety Incentives**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Matt MacPherson**

Senate Sponsor: Daniel McCay

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**LONG TITLE**

**General Description:**

This bill establishes an annual sales tax holiday for firearm safety and storage devices.

**Highlighted Provisions:**

This bill:

- defines terms;
- establishes a sales tax holiday for firearm safety devices and firearm storage devices

applicable for one week each year;

- provides for general administration of sales tax holidays;
- establishes a state commemorative period known as Firearm Safety Week, occurring

during the same week as the sales tax holiday for firearm safety devices and firearm storage devices; and

- makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**59-12-104 (Effective 01/01/26)**, as last amended by Laws of Utah 2024, Chapter 35

**63G-1-401 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 377

ENACTS:

**59-12-2301 (Effective 01/01/26)**, Utah Code Annotated 1953

**59-12-2302 (Effective 01/01/26)**, Utah Code Annotated 1953

**59-12-2303 (Effective 01/01/26)**, Utah Code Annotated 1953

**59-12-2304 (Effective 01/01/26)**, Utah Code Annotated 1953

29 **59-12-2305 (Effective 01/01/26)**, Utah Code Annotated 1953

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

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

33 **59-12-104 (Effective 01/01/26). Exemptions.**

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

35 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax  
36 under Chapter 13, Motor and Special Fuel Tax Act;

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

39 (a) construction materials except:

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

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

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

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

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

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

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

56 (i) food and food ingredients; or

57 (ii) prepared food;

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

59 (i) alcoholic beverages;

60 (ii) food and food ingredients; or

61 (iii) prepared food;

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

- 63 (i) to a passenger;
- 64 (ii) by a commercial airline carrier; and
- 65 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
- 66 (c) services related to Subsection (4)(a) or (b);
- 67 (5) sales of parts and equipment for installation in an aircraft operated by a common carrier
- 68 in interstate or foreign commerce;
- 69 (6) sales of commercials, motion picture films, prerecorded audio program tapes or records,
- 70 and prerecorded video tapes by a producer, distributor, or studio to a motion picture
- 71 exhibitor, distributor, or commercial television or radio broadcaster;
- 72 (7)(a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of
- 73 cleaning or washing of tangible personal property if the cleaning or washing of the
- 74 tangible personal property is not assisted cleaning or washing of tangible personal
- 75 property;
- 76 (b) if a seller that sells at the same business location assisted cleaning or washing of
- 77 tangible personal property and cleaning or washing of tangible personal property that
- 78 is not assisted cleaning or washing of tangible personal property, the exemption
- 79 described in Subsection (7)(a) applies if the seller separately accounts for the sales of
- 80 the assisted cleaning or washing of the tangible personal property; and
- 81 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3, Utah
- 82 Administrative Rulemaking Act, the commission may make rules:
- 83 (i) governing the circumstances under which sales are at the same business location;
- 84 and
- 85 (ii) establishing the procedures and requirements for a seller to separately account for
- 86 sales of assisted cleaning or washing of tangible personal property;
- 87 (8) sales made to or by religious or charitable institutions in the conduct of their regular
- 88 religious or charitable functions and activities, if the requirements of Section 59-12-104.1
- 89 are fulfilled;
- 90 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of this
- 91 state if:
- 92 (a) the sale is not from the vehicle's lessor to the vehicle's lessee;
- 93 (b) the vehicle is not registered in this state; and
- 94 (c)(i) the vehicle is not used in this state; or
- 95 (ii) the vehicle is used in this state:
- 96 (A) if the vehicle is not used to conduct business, for a time period that does not

- 97 exceed the longer of:
- 98 (I) 30 days in any calendar year; or
- 99 (II) the time period necessary to transport the vehicle to the borders of this
- 100 state; or
- 101 (B) if the vehicle is used to conduct business, for the time period necessary to
- 102 transport the vehicle to the borders of this state;
- 103 (10)(a) amounts paid for an item described in Subsection (10)(b) if:
- 104 (i) the item is intended for human use; and
- 105 (ii)(A) a prescription was issued for the item; or
- 106 (B) the item was purchased by a hospital or other medical facility; and
- 107 (b)(i) Subsection (10)(a) applies to:
- 108 (A) a drug;
- 109 (B) a syringe; or
- 110 (C) a stoma supply; and
- 111 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 112 the commission may by rule define the terms:
- 113 (A) "syringe"; or
- 114 (B) "stoma supply";
- 115 (11) purchases or leases exempt under Section 19-12-201;
- 116 (12)(a) sales of an item described in Subsection (12)(c) served by:
- 117 (i) the following if the item described in Subsection (12)(c) is not available to the
- 118 general public:
- 119 (A) a church; or
- 120 (B) a charitable institution; or
- 121 (ii) an institution of higher education if:
- 122 (A) the item described in Subsection (12)(c) is not available to the general public;
- 123 or
- 124 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal
- 125 plan offered by the institution of higher education; [ø]
- 126 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
- 127 (i) a medical facility; or
- 128 (ii) a nursing facility; and
- 129 (c) Subsections (12)(a) and (b) apply to:
- 130 (i) food and food ingredients;

- 131 (ii) prepared food; or  
132 (iii) alcoholic beverages;
- 133 (13)(a) except as provided in Subsection (13)(b), the sale of tangible personal property  
134 or a product transferred electronically by a person:
- 135 (i) regardless of the number of transactions involving the sale of that tangible  
136 personal property or product transferred electronically by that person; and  
137 (ii) not regularly engaged in the business of selling that type of tangible personal  
138 property or product transferred electronically;
- 139 (b) this Subsection (13) does not apply if:
- 140 (i) the sale is one of a series of sales of a character to indicate that the person is  
141 regularly engaged in the business of selling that type of tangible personal property  
142 or product transferred electronically;
- 143 (ii) the person holds that person out as regularly engaged in the business of selling  
144 that type of tangible personal property or product transferred electronically;
- 145 (iii) the person sells an item of tangible personal property or product transferred  
146 electronically that the person purchased as a sale that is exempt under Subsection  
147 (25); or
- 148 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws  
149 of this state in which case the tax is based upon:
- 150 (A) the bill of sale, lease agreement, or other written evidence of value of the  
151 vehicle or vessel being sold; or
- 152 (B) in the absence of a bill of sale, lease agreement, or other written evidence of  
153 value, the fair market value of the vehicle or vessel being sold at the time of the  
154 sale as determined by the commission; and
- 155 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
156 commission shall make rules establishing the circumstances under which:
- 157 (i) a person is regularly engaged in the business of selling a type of tangible personal  
158 property or product transferred electronically;
- 159 (ii) a sale of tangible personal property or a product transferred electronically is one  
160 of a series of sales of a character to indicate that a person is regularly engaged in  
161 the business of selling that type of tangible personal property or product  
162 transferred electronically; or
- 163 (iii) a person holds that person out as regularly engaged in the business of selling a  
164 type of tangible personal property or product transferred electronically;

- 165 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal  
166 operating repair or replacement parts, or materials, except for office equipment or office  
167 supplies, by:
- 168 (a) a manufacturing facility that:
- 169 (i) is located in the state; and
- 170 (ii) uses or consumes the machinery, equipment, normal operating repair or  
171 replacement parts, or materials:
- 172 (A) in the manufacturing process to manufacture an item sold as tangible personal  
173 property, as the commission may define that phrase in accordance with Title  
174 63G, Chapter 3, Utah Administrative Rulemaking Act; or
- 175 (B) for a scrap recycler, to process an item sold as tangible personal property, as  
176 the commission may define that phrase in accordance with Title 63G, Chapter  
177 3, Utah Administrative Rulemaking Act;
- 178 (b) an establishment, as the commission defines that term in accordance with Title 63G,  
179 Chapter 3, Utah Administrative Rulemaking Act, that:
- 180 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS  
181 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for  
182 Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except  
183 Fuels) Mining, of the 2002 North American Industry Classification System of the  
184 federal Executive Office of the President, Office of Management and Budget;
- 185 (ii) is located in the state; and
- 186 (iii) uses or consumes the machinery, equipment, normal operating repair or  
187 replacement parts, or materials in:
- 188 (A) the production process to produce an item sold as tangible personal property,  
189 as the commission may define that phrase in accordance with Title 63G,  
190 Chapter 3, Utah Administrative Rulemaking Act;
- 191 (B) research and development, as the commission may define that phrase in  
192 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 193 (C) transporting, storing, or managing tailings, overburden, or similar waste  
194 materials produced from mining;
- 195 (D) developing or maintaining a road, tunnel, excavation, or similar feature used  
196 in mining; or
- 197 (E) preventing, controlling, or reducing dust or other pollutants from mining; or
- 198 (c) an establishment, as the commission defines that term in accordance with Title 63G,

- 199 Chapter 3, Utah Administrative Rulemaking Act, that:
- 200 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North  
201 American Industry Classification System of the federal Executive Office of the  
202 President, Office of Management and Budget;
- 203 (ii) is located in the state; and
- 204 (iii) uses or consumes the machinery, equipment, normal operating repair or  
205 replacement parts, or materials in the operation of the web search portal;
- 206 (15)(a) sales of the following if the requirements of Subsection (15)(b) are met:
- 207 (i) tooling;
- 208 (ii) special tooling;
- 209 (iii) support equipment;
- 210 (iv) special test equipment; or
- 211 (v) parts used in the repairs or renovations of tooling or equipment described in  
212 Subsections (15)(a)(i) through (iv); and
- 213 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:
- 214 (i) the tooling, equipment, or parts are used or consumed exclusively in the  
215 performance of any aerospace or electronics industry contract with the United  
216 States government or any subcontract under that contract; and
- 217 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),  
218 title to the tooling, equipment, or parts is vested in the United States government  
219 as evidenced by:
- 220 (A) a government identification tag placed on the tooling, equipment, or parts; or  
221 (B) listing on a government-approved property record if placing a government  
222 identification tag on the tooling, equipment, or parts is impractical;
- 223 (16) sales of newspapers or newspaper subscriptions;
- 224 (17)(a) except as provided in Subsection (17)(b), tangible personal property or a product  
225 transferred electronically traded in as full or part payment of the purchase price,  
226 except that for purposes of calculating sales or use tax upon vehicles not sold by a  
227 vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:
- 228 (i) the bill of sale or other written evidence of value of the vehicle being sold and the  
229 vehicle being traded in; or
- 230 (ii) in the absence of a bill of sale or other written evidence of value, the then existing  
231 fair market value of the vehicle being sold and the vehicle being traded in, as  
232 determined by the commission; and

- 233 (b) Subsection (17)(a) does not apply to the following items of tangible personal  
234 property or products transferred electronically traded in as full or part payment of the  
235 purchase price:
- 236 (i) money;
  - 237 (ii) electricity;
  - 238 (iii) water;
  - 239 (iv) gas; or
  - 240 (v) steam;
- 241 (18)(a)(i) except as provided in Subsection (18)(b), sales of tangible personal  
242 property or a product transferred electronically used or consumed primarily and  
243 directly in farming operations, regardless of whether the tangible personal  
244 property or product transferred electronically:
- 245 (A) becomes part of real estate; or
  - 246 (B) is installed by a farmer, contractor, or subcontractor; or
  - 247 (ii) sales of parts used in the repairs or renovations of tangible personal property or a  
248 product transferred electronically if the tangible personal property or product  
249 transferred electronically is exempt under Subsection (18)(a)(i); and
- 250 (b) amounts paid or charged for the following are subject to the taxes imposed by this  
251 chapter:
- 252 (i)(A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or  
253 supplies if used in a manner that is incidental to farming; and
  - 254 (B) tangible personal property that is considered to be used in a manner that is  
255 incidental to farming includes:
    - 256 (I) hand tools; or
    - 257 (II) maintenance and janitorial equipment and supplies;
  - 258 (ii)(A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product  
259 transferred electronically if the tangible personal property or product  
260 transferred electronically is used in an activity other than farming; and
  - 261 (B) tangible personal property or a product transferred electronically that is  
262 considered to be used in an activity other than farming includes:
    - 263 (I) office equipment and supplies; or
    - 264 (II) equipment and supplies used in:
      - 265 (Aa) the sale or distribution of farm products;
      - 266 (Bb) research; or



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

- 301 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is  
302 registered outside of this state;
- 303 (b) the exemption provided for in Subsection (24)(a) does not apply to:
- 304 (i) a lease or rental of a product; or  
305 (ii) a sale of a vehicle exempt under Subsection (33); and
- 306 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for  
307 purposes of Subsection (24)(a), the commission may by rule define what constitutes  
308 the following:
- 309 (i) conducting business in this state if that phrase has the same meaning in this  
310 Subsection (24) as in Subsection (63);  
311 (ii) the first use of a product if that phrase has the same meaning in this Subsection  
312 (24) as in Subsection (63); or  
313 (iii) a purpose for which a product is designed if that phrase has the same meaning in  
314 this Subsection (24) as in Subsection (63);
- 315 (25) a product purchased for resale in the regular course of business, either in its original  
316 form or as an ingredient or component part of a manufactured or compounded product;
- 317 (26) a product upon which a sales or use tax was paid to some other state, or one of its  
318 subdivisions, except that the state shall be paid any difference between the tax paid and  
319 the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment  
320 is allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local  
321 Sales and Use Tax Act;
- 322 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a person  
323 for use in compounding a service taxable under the subsections;
- 324 (28) purchases made in accordance with the special supplemental nutrition program for  
325 women, infants, and children established in 42 U.S.C. Sec. 1786;
- 326 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other replacement  
327 parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code 3312 of  
328 the 1987 Standard Industrial Classification Manual of the federal Executive Office of the  
329 President, Office of Management and Budget;
- 330 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State  
331 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard  
332 motor is:
- 333 (a) not registered in this state; and  
334 (b)(i) not used in this state; or

- 335 (ii) used in this state:
- 336 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for
- 337 a time period that does not exceed the longer of:
- 338 (I) 30 days in any calendar year; or
- 339 (II) the time period necessary to transport the boat, boat trailer, or outboard
- 340 motor to the borders of this state; or
- 341 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the
- 342 time period necessary to transport the boat, boat trailer, or outboard motor to
- 343 the borders of this state;
- 344 (31) sales of aircraft manufactured in Utah;
- 345 (32) amounts paid for the purchase of telecommunications service for purposes of
- 346 providing telecommunications service;
- 347 (33) sales, leases, or uses of the following:
- 348 (a) a vehicle by an authorized carrier; or
- 349 (b) tangible personal property that is installed on a vehicle:
- 350 (i) sold or leased to or used by an authorized carrier; and
- 351 (ii) before the vehicle is placed in service for the first time;
- 352 (34)(a) 45% of the sales price of any new manufactured home; and
- 353 (b) 100% of the sales price of any used manufactured home;
- 354 (35) sales relating to schools and fundraising sales;
- 355 (36) sales or rentals of durable medical equipment if:
- 356 (a) a person presents a prescription for the durable medical equipment; and
- 357 (b) the durable medical equipment is used for home use only;
- 358 (37)(a) sales to a ski resort of electricity to operate a passenger ropeway as defined in
- 359 Section 72-11-102; and
- 360 (b) the commission shall by rule determine the method for calculating sales exempt
- 361 under Subsection (37)(a) that are not separately metered and accounted for in utility
- 362 billings;
- 363 (38) sales to a ski resort of:
- 364 (a) snowmaking equipment;
- 365 (b) ski slope grooming equipment;
- 366 (c) passenger ropeways as defined in Section 72-11-102; or
- 367 (d) parts used in the repairs or renovations of equipment or passenger ropeways
- 368 described in Subsections (38)(a) through (c);

- 369 (39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal, fuel  
370 oil, or other fuels for industrial use;
- 371 (40)(a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for  
372 amusement, entertainment, or recreation an unassisted amusement device as defined  
373 in Section 59-12-102;
- 374 (b) if a seller that sells or rents at the same business location the right to use or operate  
375 for amusement, entertainment, or recreation one or more unassisted amusement  
376 devices and one or more assisted amusement devices, the exemption described in  
377 Subsection (40)(a) applies if the seller separately accounts for the sales or rentals of  
378 the right to use or operate for amusement, entertainment, or recreation for the assisted  
379 amusement devices; and
- 380 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3, Utah  
381 Administrative Rulemaking Act, the commission may make rules:
- 382 (i) governing the circumstances under which sales are at the same business location;  
383 and
- 384 (ii) establishing the procedures and requirements for a seller to separately account for  
385 the sales or rentals of the right to use or operate for amusement, entertainment, or  
386 recreation for assisted amusement devices;
- 387 (41)(a) sales of photocopies by:
- 388 (i) a governmental entity; or
- 389 (ii) an entity within the state system of public education, including:
- 390 (A) a school; or
- 391 (B) the State Board of Education; or
- 392 (b) sales of publications by a governmental entity;
- 393 (42) amounts paid for admission to an athletic event at an institution of higher education  
394 that is subject to the provisions of Title IX of the Education Amendments of 1972, 20  
395 U.S.C. Sec. 1681 et seq.;
- 396 (43)(a) sales made to or by:
- 397 (i) an area agency on aging; or
- 398 (ii) a senior citizen center owned by a county, city, or town; or
- 399 (b) sales made by a senior citizen center that contracts with an area agency on aging;
- 400 (44) sales or leases of semiconductor fabricating, processing, research, or development  
401 materials regardless of whether the semiconductor fabricating, processing, research, or  
402 development materials:

- 403 (a) actually come into contact with a semiconductor; or  
404 (b) ultimately become incorporated into real property;
- 405 (45) an amount paid by or charged to a purchaser for accommodations and services  
406 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under  
407 Section 59-12-104.2;
- 408 (46) the lease or use of a vehicle issued a temporary sports event registration certificate in  
409 accordance with Section 41-3-306 for the event period specified on the temporary sports  
410 event registration certificate;
- 411 (47)(a) sales or uses of electricity, if the sales or uses are made under a retail tariff  
412 adopted by the Public Service Commission only for purchase of electricity produced  
413 from a new alternative energy source built after January 1, 2016, as designated in the  
414 tariff by the Public Service Commission; and
- 415 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies  
416 only to the portion of the tariff rate a customer pays under the tariff described in  
417 Subsection (47)(a) that exceeds the tariff rate under the tariff described in Subsection  
418 (47)(a) that the customer would have paid absent the tariff;
- 419 (48) sales or rentals of mobility enhancing equipment if a person presents a prescription for  
420 the mobility enhancing equipment;
- 421 (49) sales of water in a:
- 422 (a) pipe;  
423 (b) conduit;  
424 (c) ditch; or  
425 (d) reservoir;
- 426 (50) sales of currency or coins that constitute legal tender of a state, the United States, or a  
427 foreign nation;
- 428 (51)(a) sales of an item described in Subsection (51)(b) if the item:
- 429 (i) does not constitute legal tender of a state, the United States, or a foreign nation;  
430 and  
431 (ii) has a gold, silver, or platinum content of 50% or more; and
- 432 (b) Subsection (51)(a) applies to a gold, silver, or platinum:
- 433 (i) ingot;  
434 (ii) bar;  
435 (iii) medallion; or  
436 (iv) decorative coin;

- 437 (52) amounts paid on a sale-leaseback transaction;
- 438 (53) sales of a prosthetic device:
- 439 (a) for use on or in a human; and
- 440 (b)(i) for which a prescription is required; or
- 441 (ii) if the prosthetic device is purchased by a hospital or other medical facility;
- 442 (54)(a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
- 443 machinery or equipment by an establishment described in Subsection (54)(c) if the
- 444 machinery or equipment is primarily used in the production or postproduction of the
- 445 following media for commercial distribution:
- 446 (i) a motion picture;
- 447 (ii) a television program;
- 448 (iii) a movie made for television;
- 449 (iv) a music video;
- 450 (v) a commercial;
- 451 (vi) a documentary; or
- 452 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
- 453 commission by administrative rule made in accordance with Subsection (54)(d); [
- 454 or]
- 455 (b) purchases, leases, or rentals of machinery or equipment by an establishment
- 456 described in Subsection (54)(c) that is used for the production or postproduction of
- 457 the following are subject to the taxes imposed by this chapter:
- 458 (i) a live musical performance;
- 459 (ii) a live news program; or
- 460 (iii) a live sporting event;
- 461 (c) the following establishments listed in the 1997 North American Industry
- 462 Classification System of the federal Executive Office of the President, Office of
- 463 Management and Budget, apply to Subsections (54)(a) and (b):
- 464 (i) NAICS Code 512110; or
- 465 (ii) NAICS Code 51219; and
- 466 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 467 commission may by rule:
- 468 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);
- 469 or
- 470 (ii) define:

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

- 505 property used or acquired after:
- 506 (A) the alternative energy electricity production facility described in Subsection
- 507 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or
- 508 (B) the increased capacity described in Subsection (55)(a)(i) is operational as
- 509 described in Subsection (55)(a)(iii);
- 510 (56)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on
- 511 or before June 30, 2027, of tangible personal property that:
- 512 (i) is leased or purchased for or by a facility that:
- 513 (A) is a waste energy production facility;
- 514 (B) is located in the state; and
- 515 (C)(I) becomes operational on or after July 1, 2004; or
- 516 (II) has its generation capacity increased by one or more megawatts on or after
- 517 July 1, 2004, as a result of the use of the tangible personal property;
- 518 (ii) has an economic life of five or more years; and
- 519 (iii) is used to make the facility or the increase in capacity of the facility described in
- 520 Subsection (56)(a)(i) operational up to the point of interconnection with an
- 521 existing transmission grid including:
- 522 (A) generating equipment;
- 523 (B) a control and monitoring system;
- 524 (C) a power line;
- 525 (D) substation equipment;
- 526 (E) lighting;
- 527 (F) fencing;
- 528 (G) pipes; or
- 529 (H) other equipment used for locating a power line or pole; and
- 530 (b) this Subsection (56) does not apply to:
- 531 (i) tangible personal property used in construction of:
- 532 (A) a new waste energy facility; or
- 533 (B) the increase in the capacity of a waste energy facility;
- 534 (ii) contracted services required for construction and routine maintenance activities;
- 535 and
- 536 (iii) unless the tangible personal property is used or acquired for an increase in
- 537 capacity described in Subsection (56)(a)(i)(C)(II), tangible personal property used
- 538 or acquired after:



- 539 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as  
540 described in Subsection (56)(a)(iii); or
- 541 (B) the increased capacity described in Subsection (56)(a)(i) is operational as  
542 described in Subsection (56)(a)(iii);
- 543 (57)(a) leases of five or more years or purchases made on or after July 1, 2004, but on or  
544 before June 30, 2027, of tangible personal property that:
- 545 (i) is leased or purchased for or by a facility that:
- 546 (A) is located in the state;
- 547 (B) produces fuel from alternative energy, including:
- 548 (I) methanol; or
- 549 (II) ethanol; and
- 550 (C)(I) becomes operational on or after July 1, 2004; or
- 551 (II) has its capacity to produce fuel increase by 25% or more on or after July 1,  
552 2004, as a result of the installation of the tangible personal property;
- 553 (ii) has an economic life of five or more years; and
- 554 (iii) is installed on the facility described in Subsection (57)(a)(i);
- 555 (b) this Subsection (57) does not apply to:
- 556 (i) tangible personal property used in construction of:
- 557 (A) a new facility described in Subsection (57)(a)(i); or
- 558 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); ~~[or]~~
- 559 (ii) contracted services required for construction and routine maintenance activities;  
560 and
- 561 (iii) unless the tangible personal property is used or acquired for an increase in  
562 capacity described in Subsection (57)(a)(i)(C)(II), tangible personal property used  
563 or acquired after:
- 564 (A) the facility described in Subsection (57)(a)(i) is operational; or
- 565 (B) the increased capacity described in Subsection (57)(a)(i) is operational;
- 566 (58)(a) subject to Subsection (58)(b), sales of tangible personal property or a product  
567 transferred electronically to a person within this state if that tangible personal  
568 property or product transferred electronically is subsequently shipped outside the  
569 state and incorporated pursuant to contract into and becomes a part of real property  
570 located outside of this state; and
- 571 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other  
572 state or political entity to which the tangible personal property is shipped imposes a

573 sales, use, gross receipts, or other similar transaction excise tax on the transaction  
574 against which the other state or political entity allows a credit for sales and use taxes  
575 imposed by this chapter;

576 (59) purchases:

577 (a) of one or more of the following items in printed or electronic format:

578 (i) a list containing information that includes one or more:

579 (A) names; or  
580 (B) addresses; or

581 (ii) a database containing information that includes one or more:

582 (A) names; or  
583 (B) addresses; and

584 (b) used to send direct mail;

585 (60) redemptions or repurchases of a product by a person if that product was:

586 (a) delivered to a pawnbroker as part of a pawn transaction; and  
587 (b) redeemed or repurchased within the time period established in a written agreement  
588 between the person and the pawnbroker for redeeming or repurchasing the product;

589 (61)(a) purchases or leases of an item described in Subsection (61)(b) if the item:

590 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;  
591 and  
592 (ii) has a useful economic life of one or more years; and

593 (b) the following apply to Subsection (61)(a):

594 (i) telecommunications enabling or facilitating equipment, machinery, or software;  
595 (ii) telecommunications equipment, machinery, or software required for 911 service;  
596 (iii) telecommunications maintenance or repair equipment, machinery, or software;  
597 (iv) telecommunications switching or routing equipment, machinery, or software; or  
598 (v) telecommunications transmission equipment, machinery, or software;

599 (62)(a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible  
600 personal property or a product transferred electronically that are used in the research  
601 and development of alternative energy technology; and

602 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
603 commission may, for purposes of Subsection (62)(a), make rules defining what  
604 constitutes purchases of tangible personal property or a product transferred  
605 electronically that are used in the research and development of alternative energy  
606 technology;

- 607 (63)(a) purchases of tangible personal property or a product transferred electronically if:
- 608 (i) the tangible personal property or product transferred electronically is:
- 609 (A) purchased outside of this state;
- 610 (B) brought into this state at any time after the purchase described in Subsection
- 611 (63)(a)(i)(A); and
- 612 (C) used in conducting business in this state; and
- 613 (ii) for:
- 614 (A) tangible personal property or a product transferred electronically other than
- 615 the tangible personal property described in Subsection (63)(a)(ii)(B), the first
- 616 use of the property for a purpose for which the property is designed occurs
- 617 outside of this state; or
- 618 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is
- 619 registered outside of this state and not required to be registered in this state
- 620 under Section 41-1a-202 or 73-18-9 based on residency;
- 621 (b) the exemption provided for in Subsection (63)(a) does not apply to:
- 622 (i) a lease or rental of tangible personal property or a product transferred
- 623 electronically; or
- 624 (ii) a sale of a vehicle exempt under Subsection (33); and
- 625 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
- 626 purposes of Subsection (63)(a), the commission may by rule define what constitutes
- 627 the following:
- 628 (i) conducting business in this state if that phrase has the same meaning in this
- 629 Subsection (63) as in Subsection (24);
- 630 (ii) the first use of tangible personal property or a product transferred electronically if
- 631 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or
- 632 (iii) a purpose for which tangible personal property or a product transferred
- 633 electronically is designed if that phrase has the same meaning in this Subsection
- 634 (63) as in Subsection (24);
- 635 (64) sales of disposable home medical equipment or supplies if:
- 636 (a) a person presents a prescription for the disposable home medical equipment or
- 637 supplies;
- 638 (b) the disposable home medical equipment or supplies are used exclusively by the
- 639 person to whom the prescription described in Subsection (64)(a) is issued; and
- 640 (c) the disposable home medical equipment and supplies are listed as eligible for

- 641 payment under:
- 642 (i) Title XVIII, federal Social Security Act; or
- 643 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;
- 644 (65) sales:
- 645 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District
- 646 Act; or
- 647 (b) of tangible personal property to a subcontractor of a public transit district, if the
- 648 tangible personal property is:
- 649 (i) clearly identified; and
- 650 (ii) installed or converted to real property owned by the public transit district;
- 651 (66) sales of construction materials:
- 652 (a) purchased on or after July 1, 2010;
- 653 (b) purchased by, on behalf of, or for the benefit of an international airport:
- 654 (i) located within a county of the first class; and
- 655 (ii) that has a United States customs office on its premises; and
- 656 (c) if the construction materials are:
- 657 (i) clearly identified;
- 658 (ii) segregated; and
- 659 (iii) installed or converted to real property:
- 660 (A) owned or operated by the international airport described in Subsection
- 661 (66)(b); and
- 662 (B) located at the international airport described in Subsection (66)(b);
- 663 (67) sales of construction materials:
- 664 (a) purchased on or after July 1, 2008;
- 665 (b) purchased by, on behalf of, or for the benefit of a new airport:
- 666 (i) located within a county of the second class; and
- 667 (ii) that is owned or operated by a city in which an airline as defined in Section
- 668 59-2-102 is headquartered; and
- 669 (c) if the construction materials are:
- 670 (i) clearly identified;
- 671 (ii) segregated; and
- 672 (iii) installed or converted to real property:
- 673 (A) owned or operated by the new airport described in Subsection (67)(b);
- 674 (B) located at the new airport described in Subsection (67)(b); and

- 675 (C) as part of the construction of the new airport described in Subsection (67)(b);
- 676 (68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a common  
677 carrier that is a railroad for use in a locomotive engine;
- 678 (69) purchases and sales described in Section 63H-4-111;
- 679 (70)(a) sales of tangible personal property to an aircraft maintenance, repair, and  
680 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in  
681 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered  
682 aircraft's registration lists a state or country other than this state as the location of  
683 registry of the fixed wing turbine powered aircraft; or
- 684 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul  
685 provider in connection with the maintenance, repair, overhaul, or refurbishment in  
686 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered  
687 aircraft's registration lists a state or country other than this state as the location of  
688 registry of the fixed wing turbine powered aircraft;
- 689 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:
- 690 (a) to a person admitted to an institution of higher education; and
- 691 (b) by a seller, other than a bookstore owned by an institution of higher education, if  
692 51% or more of that seller's sales revenue for the previous calendar quarter are sales  
693 of a textbook for a higher education course;
- 694 (72) a license fee or tax a municipality imposes in accordance with Subsection 10-1-203(5)  
695 on a purchaser from a business for which the municipality provides an enhanced level of  
696 municipal services;
- 697 (73) amounts paid or charged for construction materials used in the construction of a new or  
698 expanding life science research and development facility in the state, if the construction  
699 materials are:
- 700 (a) clearly identified;
- 701 (b) segregated; and
- 702 (c) installed or converted to real property;
- 703 (74) amounts paid or charged for:
- 704 (a) a purchase or lease of machinery and equipment that:
- 705 (i) are used in performing qualified research:
- 706 (A) as defined in Section 41(d), Internal Revenue Code; and
- 707 (B) in the state; and
- 708 (ii) have an economic life of three or more years; and

- 709 (b) normal operating repair or replacement parts:
- 710 (i) for the machinery and equipment described in Subsection (74)(a); and
- 711 (ii) that have an economic life of three or more years;
- 712 (75) a sale or lease of tangible personal property used in the preparation of prepared food if:
- 713 (a) for a sale:
- 714 (i) the ownership of the seller and the ownership of the purchaser are identical; and
- 715 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that
- 716 tangible personal property prior to making the sale; or
- 717 (b) for a lease:
- 718 (i) the ownership of the lessor and the ownership of the lessee are identical; and
- 719 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that
- 720 tangible personal property prior to making the lease;
- 721 (76)(a) purchases of machinery or equipment if:
- 722 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
- 723 Gambling, and Recreation Industries, of the 2012 North American Industry
- 724 Classification System of the federal Executive Office of the President, Office of
- 725 Management and Budget;
- 726 (ii) the machinery or equipment:
- 727 (A) has an economic life of three or more years; and
- 728 (B) is used by one or more persons who pay admission or user fees described in
- 729 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment;
- 730 and
- 731 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
- 732 (A) amounts paid or charged as admission or user fees described in Subsection
- 733 59-12-103(1)(f); and
- 734 (B) subject to taxation under this chapter; and
- 735 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 736 commission may make rules for verifying that 51% of a purchaser's sales revenue for
- 737 the previous calendar quarter is:
- 738 (i) amounts paid or charged as admission or user fees described in Subsection
- 739 59-12-103(1)(f); and
- 740 (ii) subject to taxation under this chapter;
- 741 (77) purchases of a short-term lodging consumable by a business that provides
- 742 accommodations and services described in Subsection 59-12-103(1)(i);

- 743 (78) amounts paid or charged to access a database:
- 744 (a) if the primary purpose for accessing the database is to view or retrieve information
- 745 from the database; and
- 746 (b) not including amounts paid or charged for a:
- 747 (i) digital audio work;
- 748 (ii) digital audio-visual work; or
- 749 (iii) digital book;
- 750 (79) amounts paid or charged for a purchase or lease made by an electronic financial
- 751 payment service, of:
- 752 (a) machinery and equipment that:
- 753 (i) are used in the operation of the electronic financial payment service; and
- 754 (ii) have an economic life of three or more years; and
- 755 (b) normal operating repair or replacement parts that:
- 756 (i) are used in the operation of the electronic financial payment service; and
- 757 (ii) have an economic life of three or more years;
- 758 (80) sales of a fuel cell as defined in Section 54-15-102;
- 759 (81) amounts paid or charged for a purchase or lease of tangible personal property or a
- 760 product transferred electronically if the tangible personal property or product transferred
- 761 electronically:
- 762 (a) is stored, used, or consumed in the state; and
- 763 (b) is temporarily brought into the state from another state:
- 764 (i) during a disaster period as defined in Section 53-2a-1202;
- 765 (ii) by an out-of-state business as defined in Section 53-2a-1202;
- 766 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and
- 767 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;
- 768 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined in
- 769 Section 39A-7-102, made pursuant to Title 39A, Chapter 7, Morale, Welfare, and
- 770 Recreation Program;
- 771 (83) amounts paid or charged for a purchase or lease of molten magnesium;
- 772 (84) amounts paid or charged for a purchase or lease made by a qualifying data center or an
- 773 occupant of a qualifying data center of machinery, equipment, or normal operating
- 774 repair or replacement parts, if the machinery, equipment, or normal operating repair or
- 775 replacement parts:
- 776 (a) are used in:

- 777 (i) the operation of the qualifying data center; or  
778 (ii) the occupant's operations in the qualifying data center; and  
779 (b) have an economic life of one or more years;
- 780 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a vehicle  
781 that includes cleaning or washing of the interior of the vehicle;
- 782 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal  
783 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or  
784 supplies used or consumed:
- 785 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined  
786 in Section 79-6-701 located in the state;
- 787 (b) if the machinery, equipment, normal operating repair or replacement parts, catalysts,  
788 chemicals, reagents, solutions, or supplies are used or consumed in:
- 789 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is  
790 added to gasoline or diesel fuel;
- 791 (ii) research and development;
- 792 (iii) transporting, storing, or managing raw materials, work in process, finished  
793 products, and waste materials produced from refining gasoline or diesel fuel, or  
794 adding blendstock to gasoline or diesel fuel;
- 795 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in  
796 refining; or
- 797 (v) preventing, controlling, or reducing pollutants from refining; and
- 798 (c) if the person holds a valid refiner tax exemption certification as defined in Section  
799 79-6-701;
- 800 (87) amounts paid to or charged by a proprietor for accommodations and services, as  
801 defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations  
802 tax imposed under Section 63H-1-205;
- 803 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal  
804 operating repair or replacement parts, or materials, except for office equipment or office  
805 supplies, by an establishment, as the commission defines that term in accordance with  
806 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
- 807 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North  
808 American Industry Classification System of the federal Executive Office of the  
809 President, Office of Management and Budget;
- 810 (b) is located in this state; and



- 811 (c) uses the machinery, equipment, normal operating repair or replacement parts, or  
812 materials in the operation of the establishment;
- 813 (89) amounts paid or charged for an item exempt under Section 59-12-104.10;
- 814 (90) sales of a note, leaf, foil, or film, if the item:
- 815 (a) is used as currency;
- 816 (b) does not constitute legal tender of a state, the United States, or a foreign nation; and
- 817 (c) has a gold, silver, or platinum metallic content of 50% or more, exclusive of any  
818 transparent polymer holder, coating, or encasement;
- 819 (91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or  
820 surfing facility, if a trained instructor:
- 821 (a) is present with the participant, in person or by video, for the duration of the activity;  
822 and
- 823 (b) actively instructs the participant, including providing observation or feedback;
- 824 (92) amounts paid or charged in connection with the construction, operation, maintenance,  
825 repair, or replacement of facilities owned by or constructed for:
- 826 (a) a distribution electrical cooperative, as defined in Section 54-2-1; or  
827 (b) a wholesale electrical cooperative, as defined in Section 54-2-1;
- 828 (93) amounts paid by the service provider for tangible personal property, other than  
829 machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels,  
830 that:
- 831 (a) is consumed in the performance of a service that is subject to tax under Subsection  
832 59-12-103(1)(b), (f), (g), (h), (i), or (j);
- 833 (b) has to be consumed for the service provider to provide the service described in  
834 Subsection (93)(a); and
- 835 (c) will be consumed in the performance of the service described in Subsection (93)(a),  
836 to one or more customers, to the point that the tangible personal property disappears  
837 or cannot be used for any other purpose;
- 838 (94) sales of rail rolling stock manufactured in Utah;
- 839 (95) amounts paid or charged for sales of sand, gravel, rock aggregate, cement products, or  
840 construction materials between establishments, as the commission defines that term in  
841 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if:
- 842 (a) the establishments are related directly or indirectly through 100% common  
843 ownership or control; and
- 844 (b) each establishment is described in one of the following subsectors of the 2022 North

845 American Industry Classification System of the federal Executive Office of the  
846 President, Office of Management and Budget:

847 (i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or

848 (ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing;

849 (96) sales of construction materials used for the construction of a qualified stadium, as  
850 defined in Section 11-70-101;[-and]

851 (97) amounts paid or charged for sales of a cannabinoid product as that term is defined in  
852 Section 4-41-102[-]; and

853 (98) sales of items subject to a sales tax holiday as provided in Part 23, Sales Tax Holidays.

854 Section 2. Section **59-12-2301** is enacted to read:

855 **Part 23. Sales Tax Holidays**

856 **59-12-2301 (Effective 01/01/26). Definitions.**

857 As used in this part:

858 (1) "Eligible property" means an item that qualifies for a sales tax holiday under this part.

859 (2) "Exemption period" means the period of the calendar year during which a sales tax  
860 holiday is effective.

861 (3)(a) "Firearm safety device" means a device to be equipped or installed on a firearm  
862 that is designed to prevent unauthorized access to the firearm or to prevent the  
863 firearm from being operated without first deactivating the device.

864 (b) "Firearm safety device" does not include a firearm on which a device described in  
865 Subsection (3)(a) is already installed.

866 (4) "Firearm storage device" means a container or enclosure designed for the principal  
867 purpose of safely storing a firearm and secured by a combination lock, key lock, or lock  
868 based on biometric information which, once locked, is incapable of being opened  
869 without the combination, key, or biometric information.

870 (5) "Layaway sale" means a transaction in which property is set aside for future delivery to  
871 a purchaser who makes a deposit, agrees to pay the balance of the purchase price over a  
872 period of time, and, at the end of the payment period, receives the property.

873 (6) "Rain check" means the seller allows the purchaser to purchase an item at a certain price  
874 at a later time because the particular item was out of stock.

875 (7) "Sales tax exemption" means an exemption from the taxes imposed by this chapter.

876 (8) "Sales tax holiday" means a temporary sales tax exemption for sales of eligible property  
877 during the exemption period.

878 Section 3. Section **59-12-2302** is enacted to read:

879           **59-12-2302 (Effective 01/01/26). Sales tax holiday for firearm safety devices and**  
880 **firearm storage devices -- Exemption period -- Notice to sellers of exemption period.**

- 881 (1) Subject to the provisions of this part, a sales tax holiday is established for sales of  
882 firearm safety devices and firearm storage devices.  
883 (2) The exemption period for the sales tax holiday described in Subsection (1) is effective:  
884 (a) the third full calendar week of February; and  
885 (b) only during the one-week period described in Subsection (2)(a) in each calendar year.  
886 (3) The commission shall provide notice to sellers of the exemption period described in  
887 Subsection (2) no less than 60 days before the first day of the exemption period.

888           Section 4. Section **59-12-2303** is enacted to read:

889           **59-12-2303 (Effective 01/01/26). Items purchased under layaway sales -- Rain**  
890 **checks -- Bundled transactions -- Sale of items normally sold as single unit.**

- 891 (1) A sale of eligible property under a layaway sale qualifies for a sales tax holiday under  
892 this part if:  
893 (a) during the exemption period:  
894 (i) final payment is made by the purchaser; and  
895 (ii) the property is delivered to the purchaser; or  
896 (b) during the exemption period, the purchaser selects the property for purchase and the  
897 seller accepts the order for the property for immediate delivery upon full payment,  
898 even if the property is delivered to the purchaser after the exemption period.  
899 (2)(a) Eligible property purchased during an exemption period with use of a rain check  
900 qualifies for a sales tax holiday under this part regardless of when the rain check was  
901 issued.  
902 (b) Issuance of a rain check during an exemption period does not qualify eligible  
903 property for a sales tax holiday under this part if the eligible property is purchased  
904 after the exemption period.  
905 (3) A sale of eligible property as part of a bundled transaction is subject to Subsection  
906 59-12-103(2)(f).  
907 (4) Items that are normally sold as a single unit shall be sold in that manner and cannot be  
908 priced separately and sold as individual items in order for the purchaser to obtain a sales  
909 tax exemption under this part.

910           Section 5. Section **59-12-2304** is enacted to read:

911           **59-12-2304 (Effective 01/01/26). Discounts -- Exchanges -- Returns.**

- 912 (1)(a) A discount by a seller reduces the sales price of eligible property and the

- 913 discounted sales price determines whether the sales price is within any price  
914 threshold established for the sales tax holiday.
- 915 (b) A coupon reducing the sales price of eligible property is treated as a discount if the  
916 seller is not reimbursed for the coupon amount by a third-party.
- 917 (c) If a discount applies to the total amount paid by a purchaser rather than to the sales  
918 price of a particular item and the purchaser has purchased both eligible property and  
919 taxable property, the seller shall allocate the discount based on the total sales prices  
920 of the taxable property compared to the total sales prices of all property sold in that  
921 same transaction.
- 922 (2)(a) If eligible property purchased during the exemption period is exchanged for  
923 another item that qualifies as eligible property, no additional tax is due, even if:  
924 (i) the exchanged item has different features than the item originally purchased; and  
925 (ii) the exchange is made after the exemption period.
- 926 (b) If eligible property purchased during the exemption period is returned after the  
927 exemption period in exchange for credit on the purchase of a different item, the  
928 appropriate sales tax is due on the sale of the newly-purchased item.
- 929 (c) If eligible property purchased before the exemption period is returned during the  
930 exemption period in exchange for credit on the purchase of a different item of  
931 eligible property, no sales tax is due on the sale of the new item if the new item is  
932 purchased during the exemption period.
- 933 (3)(a) Subject to Subsection (3)(b), for eligible property returned to the seller during the  
934 60-day period immediately following the exemption period, the purchaser may not  
935 receive a credit or refund of sales tax paid on the eligible property unless:  
936 (i) the purchaser provides a receipt or invoice indicating sales tax was paid on the  
937 specific item; or  
938 (ii) the seller has sufficient documentation indicating that sales tax was paid on the  
939 specific item.
- 940 (b) This Subsection (3):  
941 (i) does not affect a seller's return policy; and  
942 (ii) may not be interpreted as requiring a seller to accept the return of eligible  
943 property during the 60-day period immediately following the exemption period.
- 944 Section 6. Section **59-12-2305** is enacted to read:  
945 **59-12-2305 (Effective 01/01/26). Order date and back orders -- Applicable time**  
946 **zone.**

- 947 (1) Eligible property qualifies for a sales tax holiday under this part if:  
 948 (a) the eligible property is both delivered to and paid for by the purchaser during the  
 949 exemption period; or  
 950 (b) during the exemption period, regardless of when delivery is made:  
 951 (i) the purchaser orders and pays for the eligible property; and  
 952 (ii) the order is accepted for immediate shipment.
- 953 (2) For purposes of Subsection (1)(b), an order is accepted for immediate shipment if:  
 954 (a) the seller takes action to fill the order for immediate shipment; and  
 955 (b) the purchaser does not request delayed shipment.
- 956 (3) Action by a seller to fill an order for immediate shipment under Subsection (2)(a)  
 957 includes:  
 958 (a) placement of a date stamp on a mail order; and  
 959 (b) assignment of an order number to a telephone order.
- 960 (4) An order qualifies for immediate shipment under Subsection (1)(b)(ii) even if the  
 961 shipment is delayed as a result of a backlog or because stock is currently unavailable or  
 962 on back order by the seller.
- 963 (5) If a seller and purchaser are located in different time zones, the time zone of the seller's  
 964 location determines the exemption period for purposes of a sales tax holiday under this  
 965 part.

966 Section 7. Section **63G-1-401** is amended to read:

967 **63G-1-401 (Effective 05/07/25). Commemorative periods.**

- 968 (1) As used in this section, "commemorative period" means a special observance declared  
 969 by the governor that annually recognizes and honors a culturally or historically  
 970 significant day, week, month, or other time period in the state.
- 971 (2)(a) The governor may declare a commemorative period by issuing a declaration.  
 972 (b) The governor shall maintain a list of all commemorative periods declared by the  
 973 governor.
- 974 (3)(a) The governor's declaration of a commemorative period expires the year  
 975 immediately following the day on which the governor issues the declaration.  
 976 (b) Subsection (3)(a) does not prevent the governor from redeclaring a commemorative  
 977 period before or after the commemorative period expires.
- 978 (4) Notwithstanding Subsections (2) and (3), the following days shall be commemorated  
 979 annually:  
 980 (a) Utah History Day at the Capitol, on the Friday immediately following the fourth

- 981 Monday in January, to encourage citizens of the state, including students, to  
982 participate in activities that recognize Utah's history;
- 983 (b) Day of Remembrance for Incarceration of Japanese Americans, on February 19, in  
984 remembrance of the incarceration of Japanese Americans during World War II;
- 985 (c) Utah State Flag Day, on March 9;
- 986 (d) Vietnam Veterans Recognition Day, on March 29;
- 987 (e) Utah Railroad Workers Day, on May 10;
- 988 (f) Dandy-Walker Syndrome Awareness Day, on May 11;
- 989 (g) Armed Forces Day, on the third Saturday in May, in honor of men and women who  
990 are serving or have served in the United States Armed Forces around the world in  
991 defense of freedom;
- 992 (h) Arthrogryposis Multiplex Congenita Awareness Day, on June 30;
- 993 (i) Navajo Code Talker Day, on August 14;
- 994 (j) Rachael Runyan/Missing and Exploited Children's Day, on August 26, the  
995 anniversary of the day three-year-old Rachael Runyan was kidnaped from a  
996 playground in Sunset, Utah, to:
- 997 (i) encourage individuals to make child safety a priority;
- 998 (ii) remember the importance of continued efforts to reunite missing children with  
999 their families; and
- 1000 (iii) honor Rachael Runyan and all Utah children who have been abducted or  
1001 exploited;
- 1002 (k) September 11th Day of Remembrance, on September 11, in honor and remembrance  
1003 of the first responders and persons killed and injured in the terrorist attacks on  
1004 September 11, 2001;
- 1005 (l) Constitution Day, on September 17, to invite all Utah adults and Utah school children  
1006 to read directly from the United States Constitution and other primary sources, and  
1007 for students to be taught principles from the United States Constitution that include  
1008 federalism, checks and balances, separation of powers, popular sovereignty, limited  
1009 government, and the necessary and proper, commerce, and supremacy clauses;
- 1010 (m) POW/MIA Recognition Day, on the third Friday in September;
- 1011 (n) Diwali, on the fifteenth day of the Hindu lunisolar month of Kartik, known as  
1012 Lakshmi puja, or the Hindu festival of lights;
- 1013 (o) Victims of Communism Memorial Day, on November 7;
- 1014 (p) Indigenous People Day, on the Monday immediately preceding Thanksgiving; and

- 1015 (q) Bill of Rights Day, on December 15.
- 1016 (5) The Department of Veterans and Military Affairs shall coordinate activities, special  
1017 programs, and promotional information to heighten public awareness and involvement  
1018 relating to Subsections (4)(g) and (m).
- 1019 (6) The month of April shall be commemorated annually as Clean Out the Medicine  
1020 Cabinet Month to:
- 1021 (a) recognize the urgent need to make Utah homes and neighborhoods safe from  
1022 prescription medication abuse and poisonings by the proper home storage and  
1023 disposal of prescription and over-the-counter medications; and
- 1024 (b) educate citizens about the permanent medication disposal sites in Utah listed on  
1025 useonlyasdirected.org that allow disposal throughout the year.
- 1026 (7) The second full week of April shall be commemorated annually as Animal Care and  
1027 Control Appreciation Week to recognize and increase awareness within the community  
1028 of the services that animal care and control professionals provide.
- 1029 (8) The first full week of May shall be commemorated annually as State Water Week to  
1030 recognize the importance of water conservation, quality, and supply in the state.
- 1031 (9) The third full week of June shall be commemorated annually as Workplace Safety  
1032 Week to heighten public awareness regarding the importance of safety in the workplace.
- 1033 (10) The second Friday and Saturday in August shall be commemorated annually as Utah  
1034 Fallen Heroes Days to:
- 1035 (a) honor fallen heroes who, during service in the military or public safety, have  
1036 sacrificed their lives to protect the country and the citizens of the state; and
- 1037 (b) encourage political subdivisions to acknowledge and honor fallen heroes.
- 1038 (11) The third full week in August shall be commemorated annually as Drowsy Driving  
1039 Awareness Week to:
- 1040 (a) educate the public about the relationship between fatigue and driving performance;  
1041 and
- 1042 (b) encourage the Department of Public Safety and the Department of Transportation to  
1043 recognize and promote educational efforts on the dangers of drowsy driving.
- 1044 (12) The month of September shall be commemorated annually as American Founders and  
1045 Constitution Month to:
- 1046 (a) encourage all civic, fraternal, and religious organizations, and public and private  
1047 educational institutions, to recognize and observe this occasion through appropriate  
1048 programs, teaching, meetings, services, or celebrations in which state, county, and

- 1049 local governmental officials are invited to participate; and
- 1050 (b) invite all Utah school children to read directly from the United States Constitution
- 1051 and other primary sources, and to be taught principles from the United States
- 1052 Constitution that include federalism, checks and balances, separation of powers,
- 1053 popular sovereignty, limited government, and the necessary and proper, commerce,
- 1054 and supremacy clauses.
- 1055 (13) The third full week of September shall be commemorated annually as Gang Prevention
- 1056 Awareness Week.
- 1057 (14) The month of October shall be commemorated annually as Italian-American Heritage
- 1058 Month.
- 1059 (15) The month of November shall be commemorated annually as American Indian
- 1060 Heritage Month.
- 1061 (16) The first full week of December shall be commemorated annually as Avalanche
- 1062 Awareness Week to:
- 1063 (a) educate the public about avalanche awareness and safety;
- 1064 (b) encourage collaborative efforts to decrease annual avalanche accidents and fatalities;
- 1065 and
- 1066 (c) honor Utah residents who have lost their lives in avalanches, including those who
- 1067 lost their lives working to prevent avalanches.
- 1068 (17) The third full week of February shall be commemorated annually as Firearm Safety
- 1069 Week to:
- 1070 (a) educate the public about the importance of safely and securely storing firearms to
- 1071 eliminate or minimize the risk of unintentional death, injury, or damage caused by the
- 1072 improper handling of firearms and to help prevent gun theft;
- 1073 (b) encourage the purchase of firearm safety devices and firearm storage devices during
- 1074 the sales tax holiday occurring in the same week, in which purchases of these devices
- 1075 are exempt from sales and use tax in accordance with Section 59-12-2302; and
- 1076 (c) recognize the rights of law-abiding Utahns to keep and bear arms under the Second
- 1077 Amendment to the United States Constitution.
- 1078 Section 8. **Effective Date.**
- 1079 (1) Except as provided in Subsection (2), this bill takes effect for a future taxable year
- 1080 beginning on or after January 1, 2026.
- 1081 (2) The actions affecting Section 63G-1-401 take effect on May 7, 2025.