

Utah State Tax Commission
ANNUAL REPORT

Fiscal Year
2001-2002



FY 2001-2002
UTAH STATE TAX COMMISSION

PAM HENDRICKSON
CHAIR

R. BRUCE JOHNSON
COMMISSIONER

PALMER DEPAULIS
COMMISSIONER

MARC JOHNSON
COMMISSIONER

RODNEY G. MARRELLI
EXECUTIVE DIRECTOR

Our Vision:

î We are enthusiastically committed to a standard of excellence that exceeds customer expectations.
We continuously focus on courtesy, accuracy, efficiency, consistency and professionalism. î

Our Mission:

î Our mission is to collect revenue for the state and local governments,
and to equitably administer tax and assigned motor vehicle laws. î

Access to various in-depth Utah State Tax Commission
economic and revenue reports including previously published
annual reports are available at

tax.utah.gov.

*Fiscal Year
2001-2002*

A MESSAGE FROM THE COMMISSIONERS AND EXECUTIVE DIRECTOR

During Fiscal Year 2002, the Utah State Tax Commission launched new programs and made several improvements which increased our ability to better serve the taxpayer. We have clarified tax policies and procedures, become more efficient and reduced paperwork, making the whole system easier for the public to understand and comply with. Our service-oriented educational programs have made it possible for citizens and businesses to get necessary information before their accounts become problematic. For those who haven't been paying their fair share, our staff worked to make tax evasion difficult.

One method of making compliance and access to the Commission more convenient this past year was to go online with as many programs and resources as possible. This has been well-received by Utah's citizens as shown by the number of people seeking access to our web-based forms, bulletins, motor vehicle renewals, tax filing and payment programs. Our website's address was shortened and simplified to tax.utah.gov as we brought more of our services to the public 24 hours a day, 7 days a week. In all areas where a new or improved electronic service was launched, we received highly favorable responses. Renewal Express, our online motor vehicle renewal program, stands as an example with its 25.5% increase in usage during this fiscal year.

Nationwide, people increasingly choose to conduct a variety of business transactions online, and state budgets across the country are looking at a simplified and universal method to collect sales and use tax. Utah continued working alongside other states on the national Streamlined Sales Tax Project which is focused on improving sales and use tax administration systems for storefront and remote sellers for all types of commerce.

Our computer systems also saw great improvements allowing us to operate more efficiently. Our new motor vehicle system (MVA) saw its first full year of statewide operation. This new system avoids the time-consuming procedures associated with the older system, allows us to do immediate updates, and requires fewer corrections and modifications. With MVA, information is immediately available for use by state and county officials, law enforcement, car dealerships and financial institutions. Titles are now issued in a few days rather than a few months.

The Commission completed a major rewrite of a rule establishing valuation guidelines and methodologies for centrally assessed property tax. The result was clarification and simplification of the rule to make it easier to understand. In addition, policy changes were made to give further guidance in the valuation and hearing process.

The Commission provided important data and fiscal information for several Legislative bills that will result in greater simplification and reduced cost. These include bills such as:

- House Bill 88 Sales and Use Tax - Agricultural Exemption, which codifies existing Tax Commission administration of the sales tax exemption for property used primarily and directly in farming operation.
- Senate Bill 59 Sales and Use Tax - Taxation of Amounts Paid to a Telephone Service Provider or Telegraph Corporation, which clarifies that sales tax is imposed on all intrastate telephone service, regardless of the type of business entity providing the service.

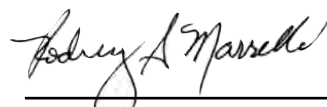
A once in a lifetime event also came to Utah during this fiscal year, the 2002 Winter Olympic Games. The Commission's various divisions worked together to solve challenges facing the Salt Lake Organizing Committee. Included in this support were the issuance of temporary motor vehicle permits, special license plates and guidance and compliance assistance for thousands of housing and service providers. Although the scope of the Olympic Games was unprecedented for Utah and deadlines were at times rigorous, the Commission used the Games as an opportunity to be creative, constructive and to join with the citizens of Utah in welcoming the world.

The Tax Commission continues to look for ways to improve the way we do business. The examples mentioned here are a sample of the recent improvements undertaken and completed to make things simpler, easier, less-costly, faster, more efficient and more convenient to all of those we serve.

Finally, the annual report of the Utah State Tax Commission summarizes the revenue collections during the fiscal year and recaps significant tax legislation. It is designed to be used as a resource handbook for legislators, state and local officials and the public. We hope it is useful to policymakers as they plan Utah's future.



Pam Hendrickson
Chair



Rodney G. Marrelli
Executive Director

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WE APPRECIATE
YOUR FEEDBACK

Questions and comments about this year's annual report are welcome.

If you would like to let us know how we can make this report more useful to you, please e-mail the Tax Commission's Public Information Officer at jmonaco@utah.gov

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EXECUTIVE SUMMARY

Tax Policy

The Utah State Tax Commission took several steps in Fiscal Year 2002 that made tax law easier to understand, comply with and administer. We were involved with a number of legislative bills as well as several administrative rules which made the system work better for the taxpayer. This benefits the state as we save costs associated with collections and appeals when our tax laws are more easily defined and understood. But just doing things better today is not enough. We also have acted proactively to clarify and develop programs that assist Utah and other states in updating tax policy for the new millennium.

For example, as Internet sales increase, local retailers are at a competitive disadvantage because of their obligation to collect sales tax. Moreover, lost tax revenues from e-commerce have become a topic of great importance to many states across the country. The Commission has continued work with the national Streamlined Sales Tax Project, an effort created by state governments, with input from local governments and the private sector, to simplify and modernize sales and use tax collection and administration across state lines. The Project's proposals will incorporate uniform definitions within tax bases, simplified audit and administrative procedures and emerging technologies to substantially reduce the burdens of tax collection. The Streamlined Sales Tax System is focused on improving sales and use tax administration systems for both storefront and remote sellers for all types of commerce.

Tax administrators from 33 participating states and 5 observer states have been working closely with the private sector to design, test, and implement a streamlined sales tax system for the 21st Century. This group of states has come to be known as the "Implementing States."

The Implementing States held their inaugural meeting in November of 2001. The purpose of the project was defined, working rules were adopted and co-chairs were elected. The delegates, designated by each state's legislation, included a broad cross-section of legislators, tax administrators and for some states including Utah, members of the business community. Each state has only one vote in the decision-making process regardless of the number of delegates representing that state. The delegates' responsibility was to craft a system that has enough flexibility that a substantial number of states will be willing to participate. In November of 2002, the Streamlined Sales Tax Agreement was approved by the Implementing States.

The Agreement includes the following provisions:

- Use of certified sales tax service providers and certified tax compliance software.
- Requiring a uniform tax base for all state and local jurisdictions in a state.
- Requiring statewide administration of all state and local sales taxes within the state.
- Limits on the timing for changes in tax rates and base.
- Uniform sourcing rules, including telecommunications sourcing.
- Uniform bad debt provisions.
- Uniform definitions of such items as candy, food, soft drinks, prepared foods.
- Uniform procedural definitions, such as "sales price", "retail sale" and "delivery charges."
- Provisions on confidentiality.

The Legislature will be asked to consider amendments to Utah's sales tax law in 2003 to implement these provisions.

Tax Administration

Administering tax policies that simplify and streamline the process, enabling more people to comply has been a key focus of the Commission. We closed this fiscal year with an outstanding cost to revenue ratio, collecting over \$4.6 billion dollars in revenues with an operating cost of only 1.1 percent of that amount. Our continued focus on compliance, simplification, and ease should make us even more efficient in the future.

Convenience is a key factor as we strive to make compliance easier for the taxpayer. One of the more popular and timely conveniences has been bringing as many government services as possible to taxpayers via the Internet. The Tax Commission has been at the forefront of this trend bringing many of our services online. Just a few examples of progress made in this area during the fiscal year include:

- Electronic income tax filing had an increase of 5 percent over the previous year and a record-breaking 300,000 people filed their income taxes electronically.
- Online motor vehicle renewals saw a 25.5 percent increase.
- By the end of the fiscal year we were able to accept payment for certain income tax returns and all sales tax returns that were filed electronically.
- 5 percent of our quarterly and 10 percent of our monthly sales tax returns were filed online.
- An extensive improvement of our website made it easier to access tax information and forms online.
- Work continued on an improved version our web-based TeleFile program, with FY 2002 being the first year that taxpayers could file TeleFile returns via the Internet as well as by the telephone.
- The Commission's Motor Vehicle Enforcement Division (MVED) launched an online system giving the public the ability to check on the license and bond status of any motor vehicle dealership in the state.
- MVED initiated an online program where motor vehicle dealers can obtain state-mandated education.

Making things more convenient for the public means that many Tax Commission transactions can now be completed 24 hours a day, and seven days a week by accessing our website at tax.utah.gov. For example:

- Renewal Express
Online renewal of existing vehicle, off-highway vehicle, boat, or snowmobile registration.
Renewal decal mailed in three to five business days.

COST AND COLLECTIONS OF STATE REVENUES

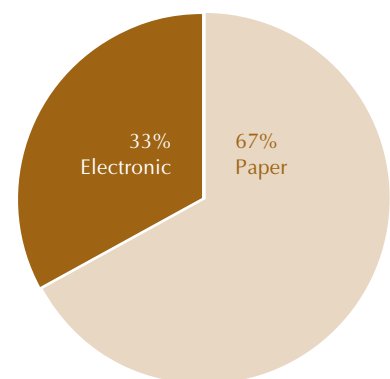
FY 02 revenue collected
by the Utah State Tax Commission

\$4.6 Billion



Ratio: 98.9% revenue to 1.1% cost

ELECTRONIC FILING CATCHING ON



State income tax filings for FY 2002

- TLRS (Titles Liens & Registration Information System)
Self-service program for authorized users to search for current Tax Commission motor vehicle file records.
- Telefile (Income Tax)
Complete Telefile for selected individual income tax returns by telephone or the web.
Permits online payment of income tax due by credit card or electronic check.
Refunds may be directly deposited.
- Sales and Use Tax
Provides an electronic means for select businesses to file and pay sales tax returns online.
Complies with requirements of Digital State Legislation.
Filers can complete the process electronically and print a copy for their files.
Payment of tax due may be made electronically.
- Special Events/Sales Tax Licensing
Permits vendors to self-register for sales tax.
Allows Tax Commission staff to authorize special events and assign tax codes, tax rates, dates of events, due dates of returns, etc.
City and county staff can access application for one stop registration of vendors for local/state licenses.
Users view and print temporary license and tax return for filing.
- Watch Your Car
Contains information about vehicle theft prevention programs and tips to avoid vehicle theft.
Vehicle owners may register vehicles to give consent for late night law enforcement stops.
- Personalized Plate Search
View plate types, including special group plates.
Determine if a selected combination of letters and numbers is available for use.
Print out necessary forms, complete, and submit with payment to DMV.

The filing population of Utah has increased by roughly 22 percent over the last seven years, yet the efficiencies that come as a result of paperless government have allowed the Tax Commission to handle an increasing number of returns without the need to increase processing staff or other resources.

We believe in a tax policy that is easy to understand, fair and equitable. Therefore, we have a responsibility to those that comply and pay their fair share to make sure that everyone is participating in the system. The identification and investigation of tax evasion cases with prosecution potential is a primary objective of our Criminal Investigation Unit. The highest priority of the Unit is to create maximum positive impact on the compliance attitudes and practices of taxpayers through effective investigations. During the fiscal year, they had a heavier than average workload. These cases come to the Unit from citizens as well as various Commission Divisions and outside agencies. The court system supported our work for the cases that were heard.

Protecting the interests of the public by enforcing the law is also the focus of our MVED division, whose investigators conducted 2,827 investigations of motor vehicle fraud related complaints, recovered 227 stolen vehicles, issued over 2,971 citations for motor vehicle registration, odometer and dealer violations. MVED investigators also made arrests or criminally charged over 200 other persons for auto theft, odometer fraud or other motor vehicle fraud violations.

Tax Revenues

Utah, as other states, saw hard times in Fiscal Year 2001-02. Net tax collections for the General and Uniform School Funds were \$382 million and 10 percent below original forecasts. The individual income tax fell 6 percent compared to an expected 7.5 percent gain. This was the biggest and only dollar drop in 50 years (FY 1953, after the end of the Korean War hit Utah's defense industry hard), resulting in a \$231 million shortfall. One-third of the individual income tax shortfall can be attributed to the stock market decline. This resulted in a \$1.1 billion decrease in Utah capital gains during 2001. At a 7 percent marginal tax rate, that amounted to a \$77 million revenue reduction. Interest and dividend payments also fell in 2001. In addition, instead of growing 5.6 percent, Utah wages and salaries rose only 3.5 percent in 2001.

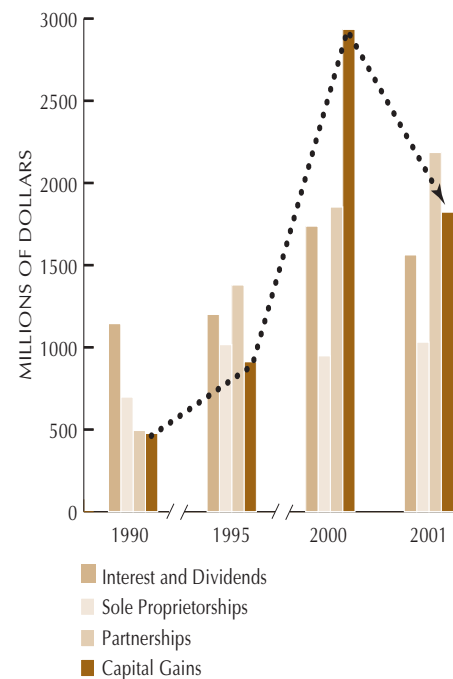
When it rains, it pours. Corporate franchise taxes dropped 32 percent compared to FY 2001, well short of the 13 percent expected growth. This resulted in another \$78 million shortfall. After the first six months of FY 2002 corporate taxes were 50 percent below the prior year.

Although other taxes did not necessarily decrease, they were well below budget targets. Sales taxes, for example rose only 0.7 percent compared to a 4.6 percent forecast, short by more than \$57 million. About 2.3 percent of the shortfall can be directly related to the impact that 9/11 had on business and consumer confidence, as well as to the tourism and transportation sectors. The balance was due to the U.S. investment-led recession, which was particularly severe in states like Utah with large high tech sectors.

Severance taxes, expected to shrink 21 percent after oil and natural gas prices fell, were almost half of forecast levels, depriving the General Fund of \$12 million in expected revenue. Motor Fuel taxes did not grow the 10 percent expected, but only rose 3.7 percent, reducing the Transportation Fund by \$14 million. Unexpected refunds of \$8 million accounted for much of the shortfall.

In summary, revenues did not meet budget projections largely due to an unexpected national recession deepened and prolonged by the terrorist attack in September 2001. More than 90 percent of the shortfall can be attributed to this and other uncontrollable economic events, one of which may have been one of the biggest shocks in this century and affected virtually all state revenues across the country.

CAPITAL GAINS FELL \$1.1 BILLION IN FY 2002



*Fiscal Year
2001-2002*

ANNUAL REPORT

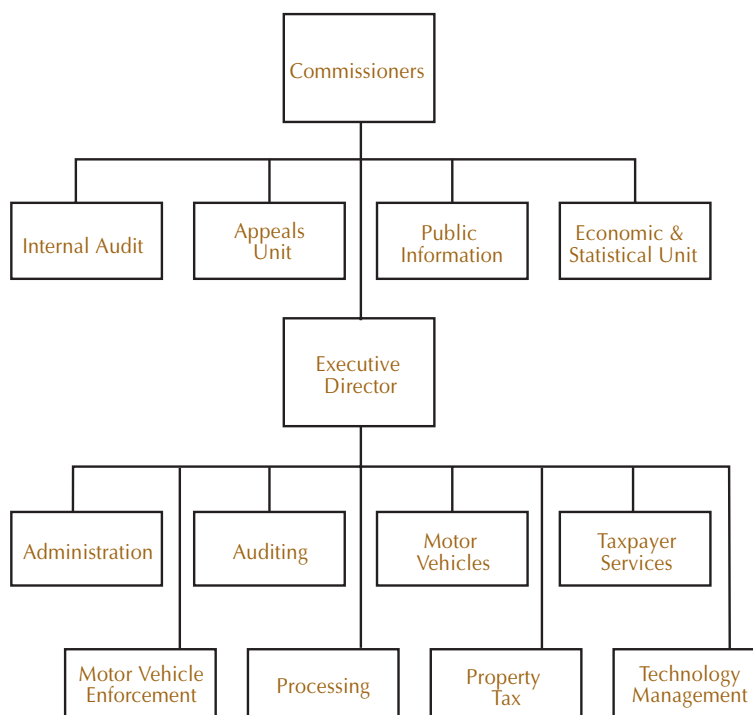
Commission Responsibilities

The four-member Utah State Tax Commission administers the tax laws of the state and collects tax revenue for the State of Utah and its local governments. It collects and distributes revenue from some 40 taxes, surcharges and fees, registers automobiles and regulates the automobile industry.

Under the Utah Constitution, the Governor with the concurrence of the Senate, appoints four Commissioners ó no more than two from a single political party ó to serve four-year terms.

The Commissioners administer and supervise the state's tax laws, rule on appeals, set policy, promulgate rules, issue advisory opinions and sit as the State Board of Equalization. The Commissioners' Economic & Statistical Unit forecasts state revenues and provides economic and statistical analyses from Tax Commission data. The Appeals Section coordinates all appeals brought before the Commission and most appeals are heard by administrative law judges. An Internal Audit section assures agency operations are efficient and comply with law. Community and media relations are supported from the office of our Public Information Officer.

The Tax Commission, in consultation with the governor, hires an executive director to administer the day-to-day functions of the agency's eight divisions.



DUTIES BY DIVISION

Administration

Provides human resource functions for the agency, provides centralized oversight of the management and reporting of all tax monies, develops and manages the department's budget, drafts legislation, implements bills and provides general agency support. The criminal investigation unit works with agency staff to identify fraud and develop criminal cases for prosecution.

Auditing

Enhances voluntary taxpayer compliance through selective audit examination of taxpayer returns and supporting records. The examination of tax returns not only determines that taxes due have been properly reported, but also educates taxpayers as to proper tax accounting techniques and interpretation of laws and rules. The educational and customer service aspects are a vital part of the audit to help taxpayers report future taxes properly. The Auditing Division is responsible for auditing all taxes except property tax, and conducts audits in-house and at the taxpayers' place of business. It also conducts compliance audits and investigates suspected tax fraud and evasion.

Motor Vehicle Division

Registers, plates and titles more than 2.3 million vehicles per year, including recreational vehicles, vessels, private aircraft and interstate commercial vehicles. Trains staff in counties that contract to administer motor vehicle programs; provides positive vehicle identification services to law enforcement and evidence of vehicle ownership to individuals and financial institutions.

Motor Vehicle Enforcement

Protects Utah citizens from fraud related to motor vehicle commerce and fosters an atmosphere for a healthy sales environment in the motor vehicle industry. Regulates the automobile industry and investigates commercial auto theft, salvage vehicle fraud, odometer fraud and other vehicle-related crimes.

Processing

Processes, data-enters, microfilms and archives 2.3 million paper and electronic tax documents annually; deposits the tax portion of the \$4.6 billion in revenues that come through the Tax Commission. Designs and prints tax forms and publications.

Property Tax

Appraises and audits natural resource properties, as well as companies whose properties cross county or state lines, such as airlines, motor carriers, railroads and utilities. Works with local officials who have direct statutory responsibility for operating local property tax systems to assure equitable and accurate assessment and taxation. Administers Truth-in-Taxation law.

Taxpayer Services

Maintains frontline contact with the public on tax issues and promotes reduction in accounts receivable through providing customer service, collecting delinquent taxes and encouraging future compliance. Offers tax education classes on state taxes to businesses and presents workshops jointly with other state and federal agencies.

Manages bankruptcy claim filing and has delegated authority to administer waiver of penalty/interest and offer-in-compromise programs.

Technology Management

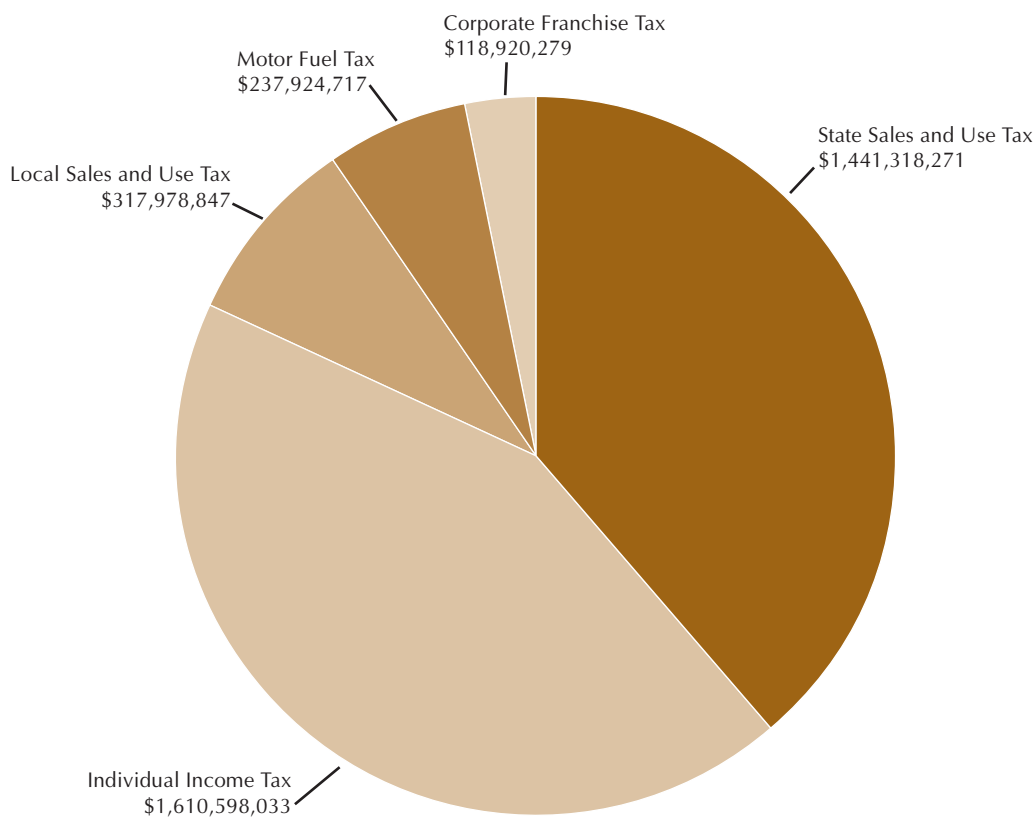
Operates and maintains the agency's existing computer systems; develops and installs new automated systems to meet specialized demands; and provides service to internal customers through a system-wide ihelp desk.

REVENUES

MAJOR REVENUE SOURCE OVERVIEW FISCAL YEARS 1992 THROUGH 2002 - IN MILLIONS OF DOLLARS

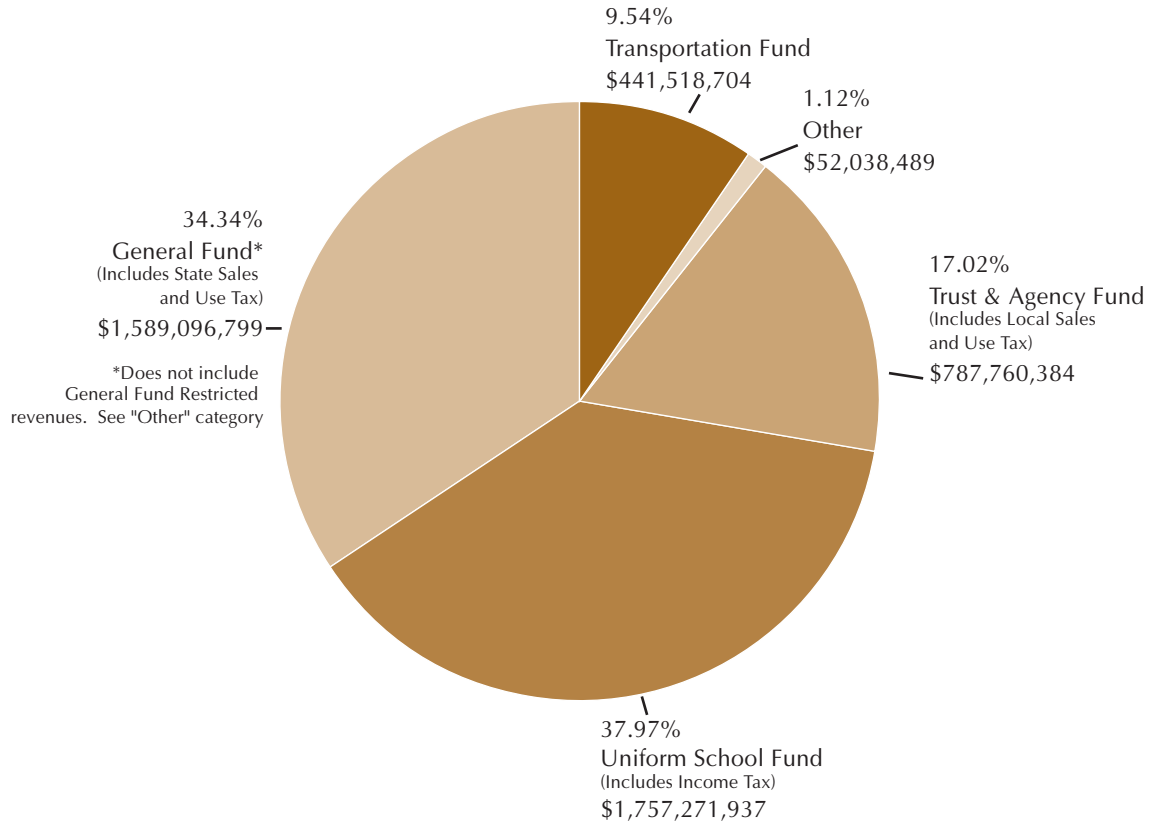
FISCAL YEAR	STATE SALES/USE TAX	INDIVIDUAL INCOME TAX	LOCAL SALES/USE TAX	MOTOR FUEL TAX	CORPORATE FRANCHISE TAX
1992	\$ 802.4	\$ 784.4	\$ 157.9	\$ 136.4	\$ 80.9
1993	881.9	842.3	173.1	141.3	79.5
1994	978.2	925.3	188.5	150.4	121.1
1995	1,055.1	1,026.9	212.6	155.5	153.5
1996	1,162.5	1,139.1	225.6	163.2	168.4
1997	1,252.1	1,237.3	258.1	168.4	182.9
1998	1,251.8*	1,377.6	263.5	217.7	189.0
1999	1,316.4	1,463.9	284.5	225.2	184.3
2000	1,369.6	1,654.9	301.7	237.6	179.6
2001	1,431.4	1,713.1	314.3	229.4	174.4
2002	1,441.3	1,610.6	318.0	237.9	118.9

*Beginning July 1, 1997, this excludes the annual amount of Sales and Use Tax generated by a 1/8 of 1 percent tax rate for water and transportation projects as prescribed by statute.



NET REVENUE COLLECTIONS BY FUND FY 2002

(Percentages may not total 100 due to rounding).



TOTAL REVENUE COLLECTED BY THE UTAH STATE TAX COMMISSION FY 2002

\$4,627,686,312

STATE AGENCIES AND ORGANIZATIONS RECEIVING FUNDS FROM TAXES AND FEES

TRANSPORTATION FUND

Transportation Department
Public Safety
Finance
Tax Commission (partial, collection costs)

TRUST & AGENCY FUND

Local Sales and Use Tax
(includes County, Tourism, Transient taxes etc.)
Local Property Tax on vehicles
Utah Transit Authority (UTA)

Many of these programs are supplemented with Federal and other funds.

GENERAL FUND, OTHER

GOVERNMENT OPERATIONS

Administrative Services
Corrections
Courts
Human Services
Economic Development
Elected Officials
Department of Environmental Quality
Health
Higher Education
Human Services
Legislature
Natural Resources
Public Safety

Work Force Services

Tax Commission (partial, collection costs)

UNIFORM SCHOOL FUND

Public Education
Higher Education
Tax Commission (partial, collection costs)

OTHER

Administrative Fees/Dedicated Credits
General Fund Restricted

For information on property taxes, please see the section beginning on page 17 of this report.

NET REVENUE COMPARISON

FISCAL YEARS 2002 AND 2001

REPORTING CATEGORY SOURCE & DISTRIBUTION	FY 2002 NET REVENUE	FY 2001 NET REVENUE	NET AMOUNT CHANGE	NET CHANGE %
Admin. Allowance Service Charge: Sales Tax	\$ 8,388,315	\$ 8,354,364	\$ 33,951	0.4%
Misc. Dedicated Credits: Tax Commission.	3,329,904	2,815,513	514,391	18.3%
Dedicated. Credits: Dnr Plants/Animal Protect: Sales	2,300,000 ¹	-	2,300,000	-
Motor Vehicle Registration/Plate Fees: Plate, Admin Fee	2,061,038	2,168,295	(107,257)	-4.9%
30-Day Motor Vehicle Registration Permit	1,232,826	1,085,036	147,790	13.6%
Federal Revenues & Grants	707,081	655,427	51,654	7.9%
Off-Highway Vehicle Registration Fees	455,413	430,460	24,953	5.8%
Driving Under Influence Impound Fees	265,081	294,824	(29,744)	-10.1%
Misc. Dedicated Credits: Other Agencies	127,405	115,334	12,071	10.5%
Water & Wastewater Proj: Div Of Water Rights	100,000	100,000	-	0.0%
<u>Income Tax Contributions: Non Game</u>	<u>48,244</u>	<u>43,047</u>	<u>5,197</u>	<u>12.1%</u>
DEDICATED CREDITS TOTAL	\$19,015,307	\$16,062,300	\$2,953,008	18.4%
State Sales & Use Tax	1,441,318,271	1,431,419,465	9,898,806	0.7%
Insurance Premium Tax: Admitted Insurers	56,616,408	45,997,165	10,619,243	23.1%
Cigarette Taxes	44,430,883	42,859,511	1,571,372	3.7%
Oil And Gas Severance Tax	18,893,082	39,357,798	(20,464,716)	-52.0%
Beer Tax	10,470,264	10,320,329	149,935	1.5%
Inheritance Tax	9,424,067	30,017,185	(20,593,118)	-68.6%
Tobacco Products Tax	5,055,002	4,729,248	325,754	6.9%
Mining Severance Tax	4,952,500	6,203,714	(1,251,213)	-20.2%
Motor Vehicle Bus. Regulation Fees: MVED	1,985,820	1,719,870	265,951	15.5%
DUI Impound Fees	961,993	1,073,021	(111,028)	-10.3%
Misc. Taxes & Other	313,929	24,981	288,949	-
Cigarette Licenses & Fees	17,060	24,000	(6,940)	-28.9%
Energy Savings Tax Credit	(47,210)	(76,487)	29,277	-38.3%
<u>Property Tax Relief Credits: Circuit Breaker</u>	<u>(5,295,273)</u>	<u>(5,335,620)</u>	<u>40,347</u>	<u>-0.8%</u>
GENERAL FUND TOTAL	\$1,589,096,799	\$1,608,334,180	(\$19,237,381)	-1.2%
Water & Wastewater Proj: Sales - Restricted	16,342,689	20,047,765	(3,705,076)	-18.5%
Fire Academy Support Fund - Restricted	4,522,861	4,350,497	172,364	4.0%
Boat Fuel Tax - Restricted	2,969,387	2,966,625	2,763	0.1%
Oil & Gas Conservation Fee - Restricted	1,710,219	2,748,318	(1,038,099)	-37.8%
Cigarette Tax - Tobacco Prevention - Restricted	1,508,502	250,000	1,258,502	503.4%
Brine Shrimp Royalties	270,976	212,215	58,761	27.7%
Other Misc. - Restricted	1,021,899	1,011,686	10,213	1.0%
Off-Highway Vehicle Registration. Fees - Restricted	1,255,015	1,111,577	143,438	12.9%
Insurance Premium & Other - Restricted	885,341	568,048	317,293	55.9%
Off-Highway Vehicle Fuel Tax - Restricted	850,000	850,000	-	0.0%
Boat Registration Fees - Restricted	675,489	681,678	(6,189)	-0.9%
Lubricating Oil Fee: Used Oil - Restricted	550,915	534,886	16,029	3.0%
Snowmobile Registrations - Restricted	236,292	239,727	(3,435)	-1.4%
<u>Income Tax Contributions: Organ, Homeless - Restricted</u>	<u>223,596</u>	<u>196,240</u>	<u>27,356</u>	<u>13.9%</u>
GENERAL RESTRICTED TOTAL	\$33,023,182	\$35,769,261	(\$2,746,079)	-7.7%

Access to various in-depth Utah State Tax Commission economic and revenue reports including previously published annual reports are available at tax.utah.gov

NET REVENUE COMPARISON

FISCAL YEARS 2002 AND 2001

REPORTING CATEGORY SOURCE & DISTRIBUTION	FY 2002 NET REVENUE	FY 2001 NET REVENUE	NET AMOUNT CHANGE	NET CHANGE %
Local Sales And Use Tax	\$ 317,978,847	\$ 314,336,985	\$ 3,641,862	1.2%
Motor Vehicle County Collections - MVA	141,683,119	13,340,281	128,342,838	962.1% ²
Public Transit Tax	109,584,228	69,934,273	39,649,955	56.7%
County Option Sales & Use Tax	78,993,477	77,306,326	1,687,152	2.2%
Tourism, Recreation, Cultural, Convention Tax	33,037,909	32,287,809	750,099	2.3%
Employers Reins. & Uninsured Employers	26,631,776	23,612,774	3,019,002	12.8%
Transient Room Tax	18,486,394	16,819,611	1,666,783	9.9%
County Option Zoo, Arts Parks	16,916,716	16,273,984	642,732	3.9%
Fireman's Pension Fund	9,080,038	8,879,629	200,409	2.3%
Resort Communities Tax	7,324,859	7,328,211	(3,352)	0.0%
Highways Sales & Use Tax	6,270,817	5,744,043	526,774	9.2%
Car & Bus Tax	5,773,466	5,556,638	216,828	3.9%
Rural County Hospital Tax	3,950,749	4,084,883	(134,134)	-3.3%
Environmental Surcharge On Petroleum	3,088,610	2,846,713	241,896	8.5%
Municipal Energy Sales & Use Tax	2,737,635	2,947,163	(209,528)	-7.1%
Waste Tire Recycling Fees	2,299,734	1,858,815	440,918	23.7%
Emergency Services Phone Charge	1,770,506	1,643,896	126,610	7.7%
Centennial / Olympic License Plate Fees	1,099,660	742,443	357,217	48.1%
Municipality Transient Room Tax	655,494	669,840	(14,346)	-2.1%
Motor Vehicle County Collections -Courtesy/Internet	560,517	14,715,675	(14,155,159)	-96.2% ³
Local Sports / Recreational Bonding (1/64)	161,567	167,663	(6,096)	-3.6%
Income Tax Contributions: Election Campaign	144,459	117,583	26,876	22.9%
Collegiate License Plate Fees	111,232	81,080	30,152	37.2%
Income Tax Contributions: Education	56,610	57,907	(1,297)	-2.2%
Children's License Plate Fees	34,295	22,639	11,656	51.5%
Town Option Sales & Use Tax	28,089	30,751	(2,662)	-8.7%
Motor Vehicle Blindness Prevention Checkoff	12,166	(20)	12,186	-
Boy Scout License Plate Fees	7,704	5,013	2,691	53.7%
Other License Plate And Contributions	7,350	-	7,350	-
Illegal Drug Stamp Tax: Law Enforcement	-	(50)	50	-100.0%
Tax Cash Bonds	-	1,500	(1,500)	-
<u>Tax Commission Suspense</u>	<u>(727,635)</u>	<u>144,600</u>	<u>(872,235)</u>	<u>-</u>
TRUST & AGENCY FUND TOTAL	\$787,760,384	\$621,558,657	\$166,201,727	26.7%
Individual Income Tax: Withholding	1,571,913,373	1,527,526,509	44,386,864	2.9%
Corporate Franchise And Income Tax	110,988,583	162,754,366	(51,765,783)	-31.8%
Individual Income Tax: Final Payments	33,396,862	177,744,751	(144,347,889)	-81.2%
Wine And Liquor Tax - Dedicated Credits	15,606,412	14,696,313	910,099	6.2%
Mineral Production Tax Withholding	13,219,494	19,451,314	(6,231,820)	-32.0%
Gross Receipts Tax	7,958,723	8,340,437	(381,714)	-4.6%
<u>Driver Education Fees - Dedicated Credits</u>	<u>4,188,489</u>	<u>4,045,222</u>	<u>143,268</u>	<u>3.5%</u>
UNIFORM SCHOOL FUND TOTAL	\$1,757,271,937	\$1,914,558,911	(\$157,286,974)	-8.2%

Access to various in-depth Utah State Tax Commission economic and revenue reports including previously published annual reports are available at tax.utah.gov

NET REVENUE COMPARISON

FISCAL YEARS 2002 AND 2001

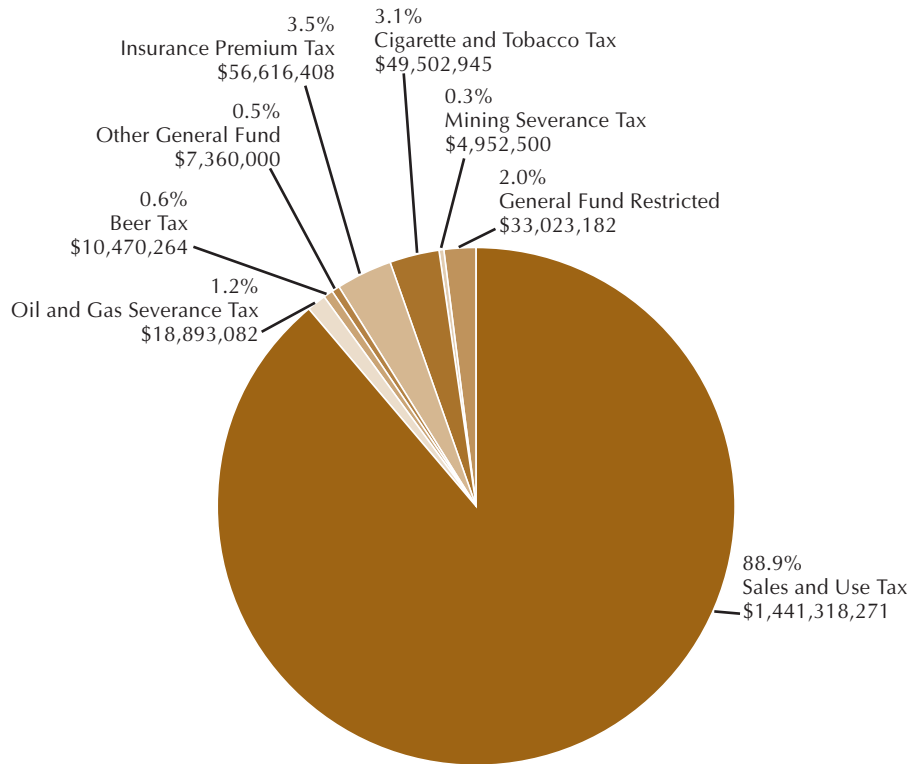
REPORTING CATEGORY SOURCE & DISTRIBUTION	FY 2002 NET REVENUE	FY 2001 NET REVENUE	NET AMOUNT CHANGE	NET CHANGE %
Motor Fuel Tax	\$ 237,924,717	\$ 229,410,348	\$ 8,514,369	3.7%
Special Fuel Tax	84,406,321	80,589,774 ⁴	3,816,547	4.7%
Motor Vehicle Registration Fees	27,378,255	25,935,355	1,442,900	5.6%
Transportation Projects: Sales Tax - Restricted	19,548,962	19,574,813	(25,852)	-0.1%
Centennial Highway Motor Vehicle Registration Fee	18,101,486	17,327,632	773,854	4.5%
Public Trans System Tax Highway: Sales - Restricted	11,686,216 ⁴	-	11,686,216	-
Proportional Registration Fees	11,665,038	11,553,783	111,256	1.0%
Proportional Registration: Highway Use Tax	7,999,758	7,473,147	526,611	7.0%
Aviation Fuel Tax - Restricted	7,042,307	8,815,994	(1,773,687)	-20.1%
Centennial Highway 1/64% Sales Tax	4,904,955	5,552,768	(647,813)	-11.7%
Motor Vehicle Control Fees	4,166,363	4,093,427	72,936	1.8%
Motor Vehicle Rental Tax - Restricted	3,510,375	3,743,275	(232,900)	-6.2%
Uninsured Motorist Fees - Restricted	2,035,755	1,773,685	262,071	14.8%
DUI Impound Fees - Restricted	887,812	987,294	(99,482)	-10.1%
Motorcycle Safety Fees - Dedicated Credit	173,118	157,888	15,230	9.6%
Proportional Registration: Temp. Permit Fees	68,880	55,145	13,735	24.9%
Clean Fuel Incentive Surcharge	18,386	32,830	(14,445)	-44.0%
TRANSPORTATION TOTAL	\$441,518,704	\$417,077,158²	\$24,441,547	5.9%
NET REVENUE	\$4,627,686,312	\$4,613,360,466²	\$14,325,846	0.3%

The preparation of this report in accordance with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect reported amounts. Actual results could differ from those estimates.

1. Added to report in Fiscal Year 2002.
2. In Fiscal Year 2001, a new motor vehicle system (MVA) was implemented and county motor vehicle collections began being deposited into state accounts with subsequent transfer to counties. The line item "MV County Collections - MVA" are trust and agency funds held by the state as trustee or agent for county governmental units.
3. Residual Internet and over-the-counter courtesy collections from the previous motor vehicle system. A new motor vehicle system (MVA) was implemented April 2001 at which time all county collections began being grouped in "MV County Collections - MVA."
4. Revised From prior year.

GENERAL FUND COLLECTIONS FY 2002

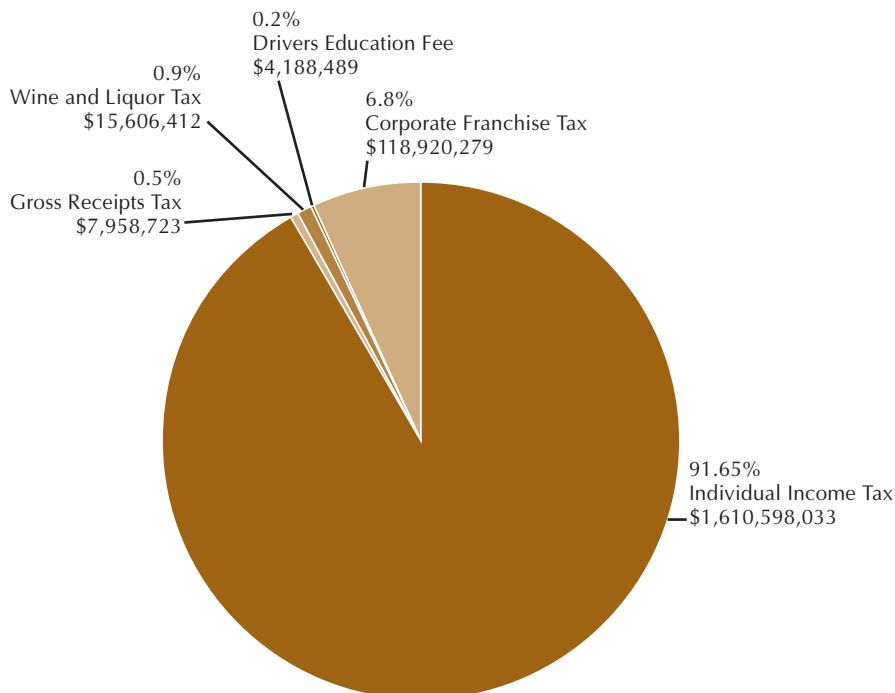
TOTAL COLLECTIONS: \$1,622,119,981



From the General Fund, the Legislature appropriates monies for general government and higher education. Some General Fund revenue is also used to fund the state's public school system. This graph shows which tax revenues make up the General Fund. The largest single source of revenue comes from the state's 4.75% sales and use tax.

UNIFORM SCHOOL FUND COLLECTIONS FY 2002

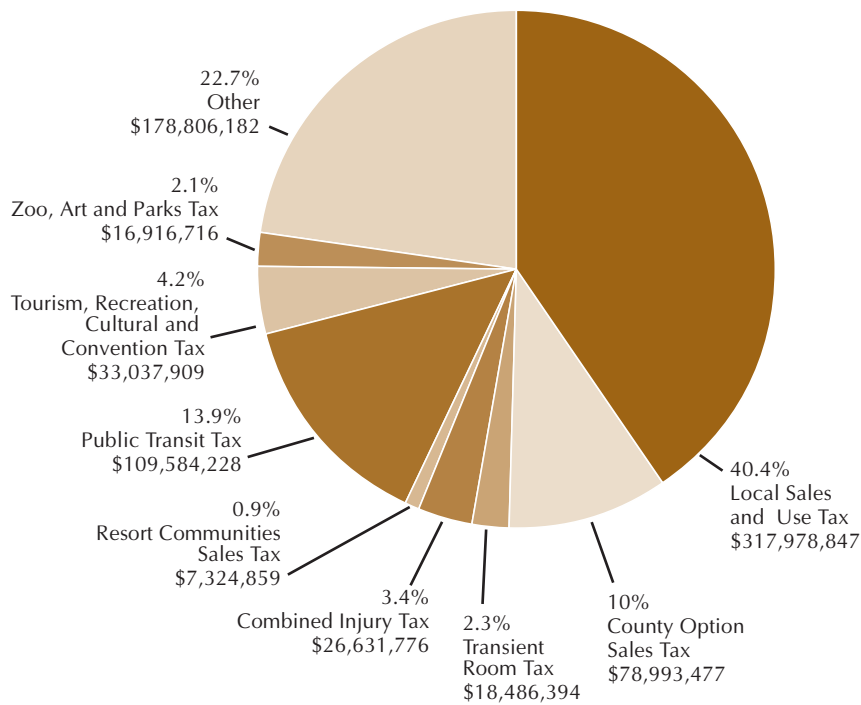
TOTAL COLLECTIONS: \$1,757,271,937



Under the Utah Constitution, monies in the Uniform School Fund may only be used to fund the state's public educational system. The Legislature also appropriates income tax revenue to operate the State's higher educational system. As shown in this graph, the Uniform School Fund is largely comprised of revenues generated by the individual income tax. The corporate franchise tax is also an important source of revenue.

TRUST & AGENCY FUND FY 2002

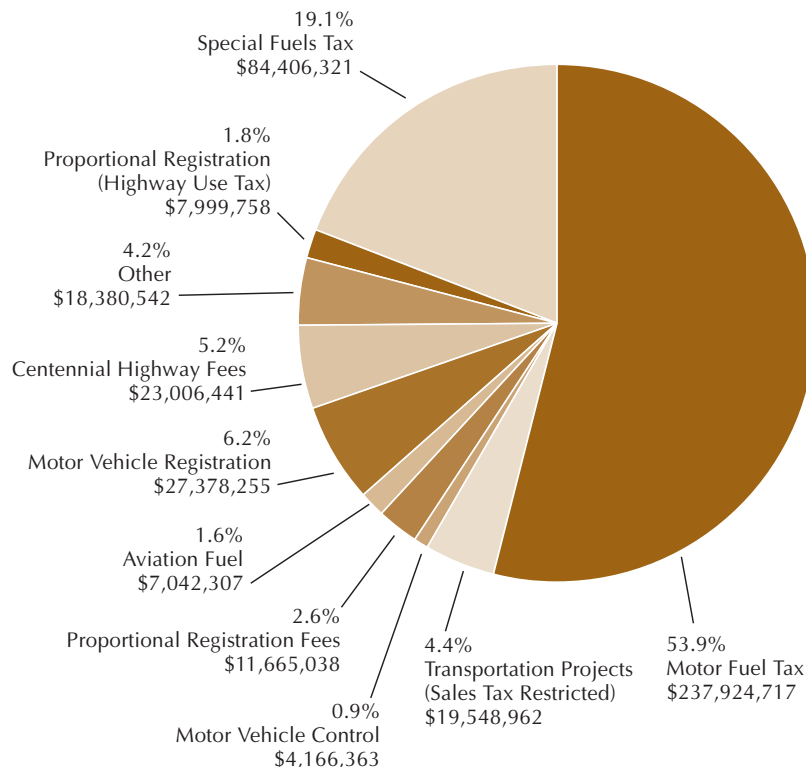
TOTAL COLLECTIONS: \$787,760,384



The Trust and Agency Fund includes funds collected on behalf of entities outside of state government such as individuals, private organizations, or other governmental units. Pension Trust Funds, Investment Trust Funds, Private-Purpose Trust Funds and Agency Funds are examples of Trust and Agency Funds.

TRANSPORTATION FUND FY 2002

TOTAL COLLECTIONS: \$441,518,704



The Utah Constitution requires that taxes imposed on sales of motor fuel may only be used for certain highway purposes. As shown in this graph, most of the revenues deposited into the Transportation Fund come from the state's taxes on motor fuel and special fuel. Motor vehicle registration fees also contribute to this fund.

SALES TAX

Sales taxes were first introduced as a revenue source in 1933 when property tax collections dropped dramatically because of the Great Depression. The use tax was added in 1937 to complement the existing sales tax. Use tax is imposed on taxable transactions involving tangible personal property purchased outside the state that the purchaser stores, uses, or consumes within the state. All state and local sales and use taxes are administered and collected by the Utah State Tax Commission.

State Sales and Use Tax

Utah Code Ann. B59-12-101

Since July 1, 1997 the Utah sales and use tax rate has been 4.75%. The same rates apply to retail sales of meals, admissions to places of amusement, intrastate communication and passenger service, commercial electric, gas and heat utility service, hotel and motel accommodations and certain other services. There are exemption provisions. Retailer licenses are issued without fee. Charges for residential use of electricity and fuel were taxed at a rate of 2 percent from January 1, 1990 to the present. Use Tax is charged at the same rates as above on certain services and tangible personal property that is purchased for use, consumption or storage in Utah.

FY 2002 REVENUES: \$1,441,318,271

Local Sales and Use Tax

Utah Code Ann. B59-12-201

The Local Sales and Use Tax must be adopted by local ordinance and currently all local governments impose the tax levy at the full 1 percent (effective January 1, 1990) of the purchase price on the same transaction that the state sales and use tax is applied. Retailers are liable for the tax collection. The Tax Commission acts as collection and distribution agent for local governmental units.

FY 2002 REVENUES: \$317,978,847

County Option Sales and Use Tax

Utah Code Ann. B59-12-1102

A county may impose by ordinance a county option sales and use tax of 1/4 % of the purchase price on transactions. Voter approval may be required. Retailers are liable to collect the tax under the same conditions as applicable for sales and use tax. The Tax Commission acts as agent for the participating localities.

FY 2002 REVENUES: \$78,993,477

Public Transit Tax

Utah Code Ann. B59-12-501 and 502

The 1/4 of 1 percent Public Transit Tax applies to the purchase price on transactions. This tax, however, applies only in localities where voters have approved the tax to finance public transportation service.

The Legislature authorized an additional 1/4 of 1 percent Public Transit Tax to fund a fixed guideway and expanded transportation system. Currently Salt Lake, Davis and Weber Counties have approved this tax.

FY 2002 REVENUES: \$109,584,228

Municipal Highways Tax

Utah Code Ann. §59-12-1001

A municipality in which the Public Transit Tax is not levied may impose a sales and use tax of 1/4 of 1 percent of the purchase price on transactions. Voter approval may be required under certain circumstances. Revenues from this tax shall be used for the construction and maintenance of highways under the jurisdiction of the municipality. Retailers are liable to collect the tax under the same conditions as applicable for sales and use tax. The Tax Commission acts as agent for the participating localities.

FY 2002 REVENUES: \$6,270,817

Tourism, Recreation, Cultural and Convention Facilities Tax

Utah Code Ann. §59-12-603

The Tourism, Recreation, Cultural and Convention Facilities Tax permits counties to impose any or all of the following options:

- a tax of up to 3 percent on all short-term leases and rental of motor vehicles not exceeding 30 days, except when the rental vehicle is replacing a motor vehicle that is being repaired pursuant to a repair or insurance agreement. Effective January 1, 1999, counties who have imposed the motor vehicle short-term lease and rental tax may impose an additional 4 percent tax on these vehicles.
- a tax of up to 1 percent of all sales of prepared foods and beverages sold by restaurants for immediate consumption.
- a tax of up to 1/2 of 1 percent of the rent for every occupancy of a suite, room or rooms in motels, hotels, inns or similar public accommodations. This tax may only be imposed by a county of the first class in population (i.e., over 700,000). Only Salt Lake County meets this requirement.

FY 2002 REVENUES: \$33,037,909

Transient Room Taxes

Utah Code Ann. §59-12-301

The Transient Room Tax is applied to the rental charge for any suite, room or rooms, in a motel, hotel, motor court, inn, campground or similar public accommodation for fewer than 30 consecutive days. This tax is in addition to the applicable sales tax. The Tax Commission acts as agent for the counties, but 1990 legislation allows counties to elect to collect the tax themselves. Only Grand County has opted to collect its own Transient Room Tax (effective January 1, 1996). The tax rate is levied up to 3 percent of the rental charge as fixed by county ordinance. Currently, the tax rate is 3 percent in all counties.

FY 2002 REVENUES: \$18,486,394

Municipality Transient Room Tax

Utah Code Ann. §59-12-352 and 353

In addition, a municipality may impose a Municipality Transient Room Tax up to 1 percent of the rents charged for any suite, room or rooms, in a motel, hotel, motor court, inn or similar public accommodation for fewer than 30 consecutive days.

A municipality may also impose an additional Transient Room Tax of up to 1/2 of 1 percent if it levied or collected a license fee or tax under Section 10-1-203 before January 1, 1996 and before January 1, 1997 incurred bonded indebtedness or other indebtedness based on that license fee or tax. The additional tax may be levied until the indebtedness is retired, or 25 years from the day on which the municipality levied the additional tax.

FY 2002 REVENUES: \$655,494

îZoo Taxî (Botanical, Cultural and Zoological Tax)

Utah Code Ann. §59-12-701 and 59-12-1401

The Botanical, Cultural and Zoological Tax may be imposed up to 1/10 of 1 percent of the purchase price on transactions under the state's sales and use tax laws. This tax may be adopted in any county or city in which voters have approved the tax to fund recreational facilities and botanical, cultural and zoological organizations. Retailers are liable to collect the tax under the same conditions as applicable for sales and use tax. The Tax Commission acts as agent for the participating localities.

Salt Lake, Summit and Uintah counties have enacted the tax.

FY 2002 REVENUES: \$16,916,716

Resort Communities Tax

Utah Code Ann. §59-12-401

The Resort Communities Tax may be levied by municipalities whose transient room capacity is greater than or equal to 66 percent of the permanent census population. Qualifying municipalities may impose a tax levy up to 1 percent of the purchase price on the same transaction that the state sales tax is applied.

An additional 1/2 percent may be imposed upon voter approval, or, if a municipality imposed a license fee or tax based on gross receipts under Section 10-1-203 on or before January 1, 1996, and meets certain statutory criteria, the municipality may impose the additional 1/2 percent without voter approval.

In addition to exemptions provided under the state sales tax law, wholesale sales and single-item sales exceeding \$2,500 are exempt from this tax. Retailers are liable for the tax collection. The Tax Commission acts as agent for local governmental units.

FY 2002 REVENUES: \$7,324,859

TAXABLE RETAIL SALES, SERVICES AND
BUSINESS EQUIPMENT PURCHASES BY COUNTY
CALENDAR YEARS 1996 THROUGH 2001

<u>COUNTY</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Beaver	\$ 41,936,668	\$ 45,761,964	\$54,028,444	\$ 56,796,599	\$ 59,533,738	\$ 57,175,634
Box Elder	313,399,510	341,801,574	378,656,784	392,554,576	388,463,051	385,714,523
Cache	700,827,166	738,962,198	815,747,488	877,516,245	881,748,639	936,747,843
Carbon	270,180,228	302,766,134	350,262,447	344,787,305	346,715,900	361,591,203
Daggett	9,433,030	8,931,045	10,152,206	11,083,920	13,701,974	14,634,974
Davis	1,948,114,497	2,082,405,096	2,333,000,552	2,501,488,171	2,561,945,556	2,689,665,418
Duchesne	103,539,767	138,833,857	148,993,949	113,995,306	152,667,814	163,767,205
Emery	63,933,988	85,273,673	108,296,650	86,178,899	78,516,158	102,670,903
Garfield	59,463,916	64,208,586	67,964,766	71,530,129	73,145,377	66,456,789
Grand	125,597,997	136,682,724	143,307,479	167,663,347	162,911,808	165,549,440
Iron	328,599,441	334,517,242	358,583,543	403,990,858	417,168,360	420,915,573
Juab	52,093,322	58,330,085	61,049,366	67,800,309	73,826,705	69,536,762
Kane	85,348,929	91,571,511	92,767,501	99,972,386	107,426,955	101,547,886
Millard	86,426,974	102,956,430	102,324,784	108,565,176	107,366,842	120,365,006
Morgan	36,673,879	34,597,815	43,190,274	52,752,568	55,091,635	55,337,047
Piute	5,549,494	4,647,900	5,197,828	5,556,641	5,742,323	5,662,930
Rich	10,848,221	12,425,163	14,599,275	15,593,403	16,731,346	16,201,275
Salt Lake	12,495,049,840	13,279,907,345	14,480,792,082	15,032,355,344	15,941,513,323	15,849,186,277
San Juan	83,951,301	79,420,183	102,358,862	96,128,945	89,321,720	87,304,705
Sanpete	101,273,513	109,374,363	117,860,224	125,822,688	143,234,506	158,161,385
Sevier	171,174,291	179,499,588	247,516,691	212,472,805	219,208,375	219,773,375
Summit	532,065,605	585,960,819	631,299,089	685,939,692	742,862,484	828,954,759
Tooele	229,458,354	247,605,386	282,754,708	306,930,181	330,289,699	363,790,726
Uintah	249,885,277	300,310,299	335,704,139	331,526,601	439,786,724	497,521,181
Utah	3,018,664,563	3,263,562,889	3,670,050,662	3,938,892,458	4,170,665,617	4,327,743,545
Wasatch	104,349,093	118,482,941	136,583,244	155,799,341	171,726,889	173,995,773
Washington	954,639,002	994,050,920	1,066,865,802	1,159,452,168	1,237,822,795	1,375,237,567
Wayne	17,770,582	18,566,025	22,689,627	23,000,106	23,460,239	23,594,673
Weber	2,039,495,130	2,151,273,281	2,264,121,035	2,375,445,131	2,456,562,991	2,507,881,470
Out of State Use Tax	1,604,193,876	916,015,985	200,035,296	176,949,415	175,863,321	255,447,596
TOTALS	\$25,843,937,454	\$26,828,703,021	\$28,646,754,797	\$29,998,540,713	\$31,645,012,864	\$32,402,133,503

TAXABLE RETAIL SALES, SERVICES & BUSINESS PURCHASES IN UTAH

CALENDAR YEARS 1996 THROUGH 2001 - BY MAJOR INDUSTRY

MAJOR INDUSTRY	STANDARD INDUSTRIAL CODES	1996	1997	1998	1999	2000	2001
Agriculture, Forestry & Fishing	(111-973)	\$17,377,216	\$25,783,732	\$22,612,428	\$26,499,298	\$32,173,236	\$35,500,566
Mining	(1011-1499)	174,440,116	245,303,350	259,041,630	180,266,562	202,157,429	209,934,540
Construction	(1521-1799)	370,737,435	388,522,390	399,801,647	421,476,264	407,856,957	367,675,267
Manufacturing	(2011-3999)	1,512,615,993	1,464,211,508	1,601,026,710	1,539,452,115	1,543,233,662	1,582,742,052
Transportation	(4011-4789)	92,305,008	102,295,685	122,686,026	140,231,301	149,218,212	142,500,206
Communications	(4812-4899)	790,351,699	868,179,594	1,058,492,235	1,191,316,540	1,414,682,448	1,612,448,817
Electric & Gas	(4911-4971)	906,750,901	1,091,917,188	1,108,612,876	1,060,963,549	1,177,945,781	1,408,939,106
Wholesale- Durable Goods	(5012-5099)	2,309,529,541	2,273,250,586	2,544,811,451	2,624,224,746	2,758,919,796	2,564,454,915
Wholesale- Nondurable Goods	(5111-5199)	559,143,295	584,703,789	612,235,841	654,451,721	685,693,896	686,390,276
Retail- Building & Garden	(5211-5271)	1,337,465,027	1,309,839,335	1,351,361,566	1,476,047,351	1,425,559,543	1,460,133,987
Retail- General Merchandise	(5311-5399)	2,256,379,051	2,327,855,554	2,462,659,870	2,619,314,987	2,797,186,682	3,100,161,638
Retail- Food Stores	(5411-5499)	3,049,698,985	3,258,413,235	3,381,049,726	3,492,673,060	3,640,536,562	3,512,587,567
Retail- Motor Vehicle Dealers	(5511-5599)	2,709,742,413	2,774,966,972	2,965,018,986	3,175,267,440	3,389,594,545	3,569,977,406
Retail- Apparel & Accessory	(5611-5699)	665,106,689	692,785,892	756,543,223	759,844,539	789,357,871	802,407,090
Retail- Furniture	(5712-5736)	1,309,817,367	1,307,088,533	1,335,020,550	1,350,921,685	1,371,175,631	1,311,582,006
Retail- Eating & Drinking	(5812-5813)	1,472,851,575	1,553,634,568	1,676,821,741	1,814,710,248	1,906,402,061	1,946,161,104
Retail- Miscellaneous	(5912-5999)	1,603,327,868	1,648,793,497	1,728,157,306	1,804,517,009	1,958,130,477	2,006,055,335
Finance, Ins. & Real Estate	(6011-6799)	318,425,983	339,792,761	423,481,194	449,725,462	469,097,328	427,410,310
Services- Hotels & Lodging	(7011-7041)	528,246,600	557,018,018	550,861,207	556,439,832	583,185,128	597,046,524
Services- Personal	(7211-7299)	177,755,543	177,405,300	184,647,238	190,113,674	199,675,659	207,710,269
Services- Business	(7311-7389)	779,742,951	774,893,934	948,336,442	1,041,708,766	1,222,524,698	1,158,494,931
Services- Auto & Misc. Repair	(7513-7699)	1,011,744,835	1,071,827,386	1,159,815,661	1,169,442,008	1,239,304,060	1,267,548,909
Services- Amusement & Recrtn.	(7812-7999)	494,902,303	543,864,285	572,235,050	649,682,489	714,250,902	723,536,831
Services- Health	(8011-8099)	89,604,763	91,818,337	88,027,238	86,328,864	93,273,606	95,251,898
Services- Education, Legal, Social	(8111-8999)	193,920,489	167,067,898	194,907,455	207,027,693	224,240,125	224,857,904
Public Administration	(9111-9721)	144,481,199	75,836,565	59,287,587	67,973,006	66,505,087	66,694,136
Private Motor Vehicle Sales		495,411,739	513,784,605	538,853,304	509,906,080	605,250,028	613,687,363
Occasional Retail Sales		50,584,801	70,582,305	64,033,193	61,255,558	71,489,138	110,535,482
Nondisclosable or SIC Uncoded		5,025,711	1,496,805	7,015,544	22,849,145	31,164,065	36,432,538
Prior- Period Payments, Refunds & Adjustments		416,450,355	525,769,413	467,854,342	653,909,720	475,228,264	553,274,506
TOTALS		\$25,608,777,041	\$26,828,703,020	\$28,645,309,267	\$29,998,540,712	\$31,645,012,877	\$32,402,133,479

SALES TAX EXEMPTION AMOUNTS

FISCAL YEAR 2001-2002

Utah law exempts certain purchases from the sales & use tax. The following are exemptions by legal category and estimated sales tax exemption amounts. See 59-12-104 Utah Code Ann.

	EXEMPT REVENUE		EXEMPT REVENUE
A. ECONOMIC DEVELOPMENT		C. GOVERNMENTAL	
1. a. New or expanding manufacturing machinery & equipment	\$26,490,000 ¹	1. State government purchases	\$52,609,000
b. Normal operating replacement equipment and machinery	\$8,607,000 ²	Local government purchases	\$20,652,000
2. Airline food	\$280,000	2. Fares charged to persons transported by public transit	\$869,000
3. Airline equipment	\$175,000	3. Admissions to college athletic events	\$470,000
4. Aerospace tools	\$406,000	4. Sales by state & local photocopies or copies of records	\$10,000
5. Motion picture rentals & radio broadcast tapes	\$30,000	5. Sales by the Heber Creeper Railroad	\$10,000
6. Intrastate movement of freight by common carrier or people by taxicabs	\$2,413,000	SUBTOTAL GOVERNMENTAL	\$74,621,000
7. Farm machinery and irrigation equipment	\$3,816,000	D. SOCIAL SERVICE, HEALTH, CHARITABLE & OTHER	
8. Commercial sprays & insecticides	\$625,000	1. Food stamps	\$3,493,000
9. Sales of hay	\$1,938,000	2. WIC program food purchases	\$1,513,000
10. Sales of aircraft manufactured in Utah	0	3. Meals served by schools, churches	\$496,000
11. Electricity sales to ski resorts for all lifts	\$6,000	Meals served by nursing homes & hosp.	\$484,000
12. Ski resort equipment	\$23,000	4. Pollution control	\$299,000
13. Steel mill nondurable equipment	\$100,000	5. Prescription drugs	\$39,744,000
14. Amusement parks' electricity	\$71,000	6. Oxygen & stoma supplies	\$51,000
15. Semiconductor manufacturing	\$0	7. Religious or charitable sales > \$1,000 & purchases < \$1,000	\$5,323,000
SUBTOTAL ECONOMIC DEVELOPMENT	\$44,911,000	& purchases < \$1,000	\$4,435,000
B. ECONOMIC EFFICIENCY³		8. Newspaper sales or subscriptions	\$2,693,000
1. a. Motor & special fuels	\$89,275,000	9. Leases to authorized carriers	\$1,500,000
b. Aviation fuel	\$7,126,000	10. School & fund-raising sale	\$50,000
2. Vending machine sales < \$1 of food or beverages	\$957,000	11. Home medical equipment	\$421,000
3. Coin-operated Laundromats	\$263,000	12. Hearing aids	\$330,000
4. Coin-operated car washing	\$529,000	13. Sales by area aging services	\$1,000
5. Nonresident vehicles	\$5,586,000	14. Admissions to Winter Olympics	n/a
6. Nonresident boats	\$161,000	15. Winter Olympic accommodations	n/a
7. Occasional sales	\$2,526,000	16. Winter Olympic vehicle leases	n/a
8. Tangible personal property trades	n/a	17. Wind, geothermal, solar energy sales	n/a
9. Exclusive sales of locally grown farm produce	\$1,425,000	SUBTOTAL SOCIAL SERVICES, HEALTH & CHARITABLE	\$60,832,000
10. Containers, labels, casings	\$20,203,000		
11. Property stored in the state for resale	n/a	TOTAL STATE SALES TAX:	\$372,342,000
12. Property brought in by a nonresident for use	\$3,135,000	ESTIMATED LOCAL SALES TAX	\$137,222,000
13. Property purchased for resale or as an ingredient or component part of manufactured products	\$30,357,000 ³	GRAND TOTAL	\$509,564,000
14. Property upon which sales tax was paid to another state	n/a		
15. Sales of transportation, interstate telephone, telegraph, or fuel for use in compounding a taxable service	\$15,393,000		
16. Personal property shipped out of state & incorporated into real property	\$250,000		
17. Coin-operated amusement devices	\$694,000		
18. 45% of manufactured homes	\$1,000,000		
19. Intrastate transportation to an employer's employee	\$25,000		
20. Sales of utilities for industrial use	\$28,440,000		
21. Telephone service from prepaid calling card	\$27,000		
SUBTOTAL ECONOMIC EFFICIENCY	\$191,979,000		

1 Reported amounts were \$9,512,000 for FY 02.

2 Reported amounts were \$3,091,000 for FY 02.

3 Excludes sales for resale at \$1.0 billion.

PROPERTY TAX

Property taxes are levied at the local level, based on valuations established by elected county assessors and, in the case of certain properties, by the State Tax Commission's Property Tax Division. The tax is collected by the counties, and distributed to the taxing entities. All monies collected from property taxes are distributed back to local government entities.

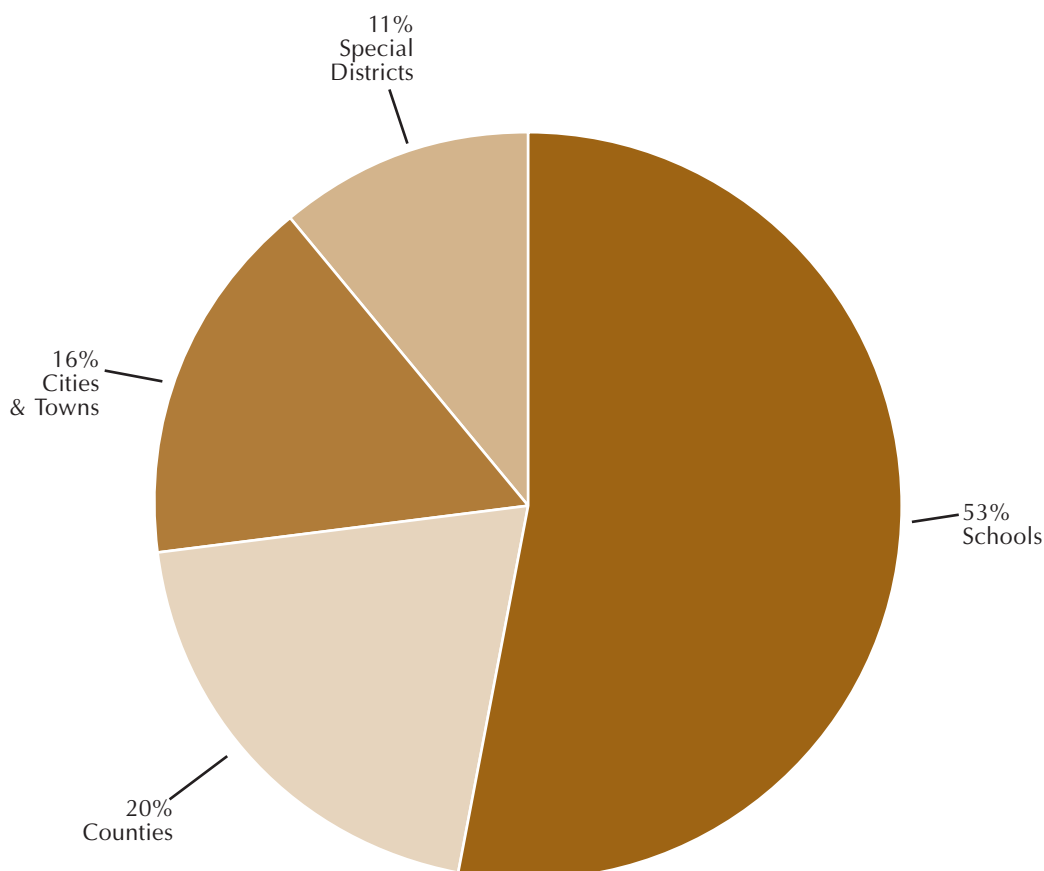
Real and personal property taxes and rates

Tax rates are set by local entities, such as counties, cities and towns, school districts and special taxing districts. A statewide rate also is levied to finance Utah's schools through the Uniform School Fund. Those rates are applied against the taxable value of real and personal property except motor vehicles.

Fees due on motor vehicles

Utah motor vehicles including boat and recreational vehicles are subject to the personal property tax. Passenger vehicles are assessed using a fee schedule based on the age of the vehicle; other vehicles continue to be subject to the statewide fee-in-lieu which is 1.5 percent of the vehicle's fair market value.

DISTRIBUTION OF PROPERTY TAX REVENUES CALENDAR YEAR 2001

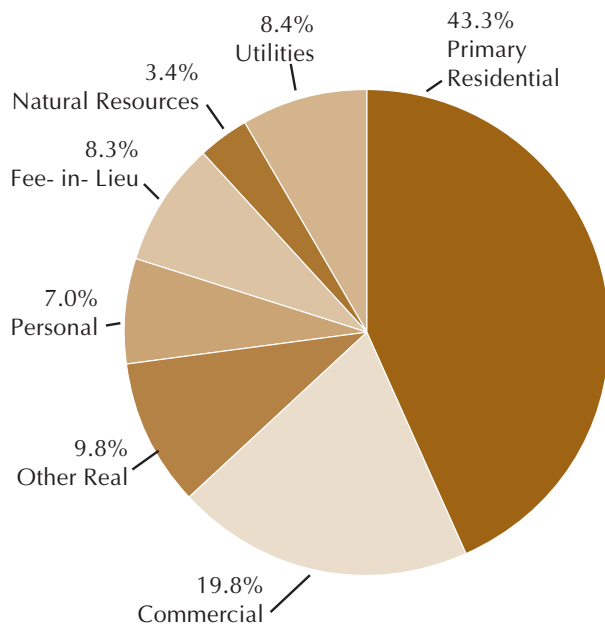


VALUE OF AND TAXES CHARGED ON UTAH PROPERTY CALENDAR YEAR 2001

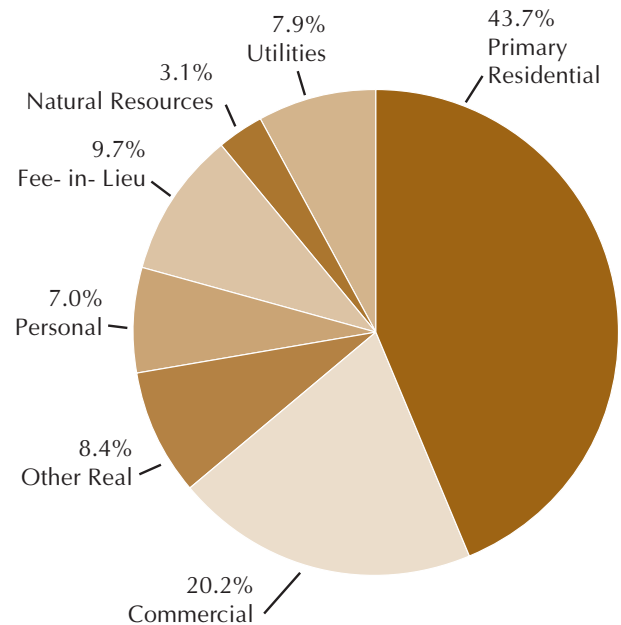
<u>CLASS OF PROPERTY</u>	<u>TAXABLE VALUE</u>	<u>PERCENT</u>	<u>MARKET VALUE</u>	<u>PERCENT</u>	<u>TAXES CHARGED</u>	<u>PERCENT</u>
Primary Residential	\$52,099,359,175	43.3%	\$94,726,107,591	58.0%	\$673,133,819	43.7%
Commercial	23,831,287,399	19.8%	23,831,287,399	14.6%	311,273,869	20.2%
Other Real	11,787,529,050	9.8%	11,787,529,050	7.2%	129,493,198	8.4%
Personal	8,452,536,186	7.0%	8,679,243,557	5.3%	108,044,470	7.0%
Fee-in-Lieu	10,019,393,941	8.3%	10,019,393,941	6.1%	150,290,909	9.7%
Natural Resources	4,067,175,485	3.4%	4,067,175,485	2.5%	47,612,414	3.1%
Utilities	10,075,002,458	8.4%	10,075,002,458	6.2%	122,079,928	7.9%
STATEWIDE	\$120,332,283,694	100%	\$163,185,739,481	100%	\$11,541,928,607	100%

Details on individual tables may not add to 100% due to independent rounding

COMPARISON OF TAXABLE VALUE AND TAXES CHARGED BY TYPE CALENDAR YEAR 2001



Taxable Value



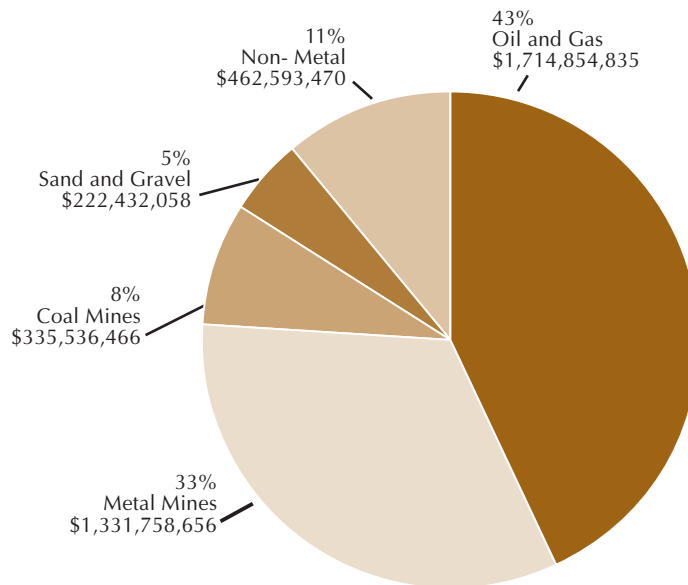
Taxes Charged

Centrally Assessed Property

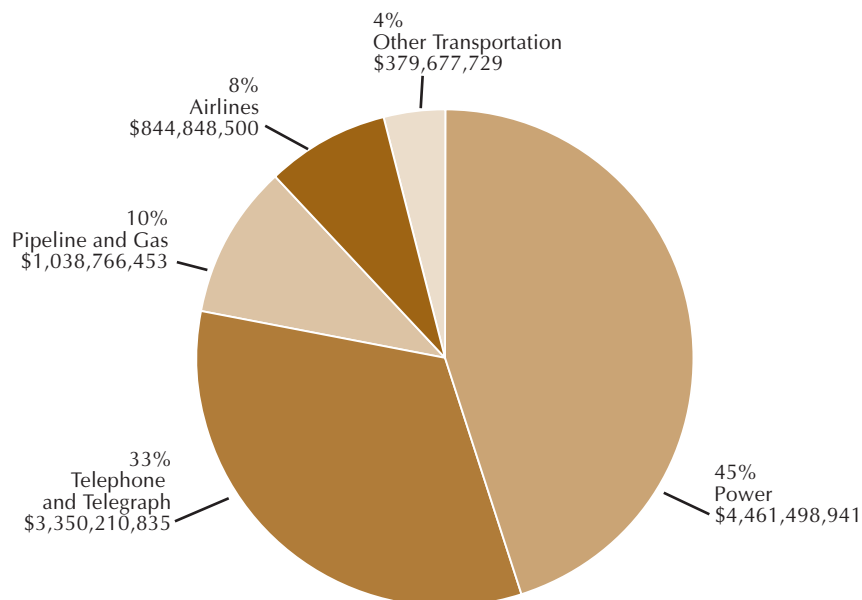
The Property Tax Division is responsible for the valuation of mines, utilities, airlines, motor carriers and rail carriers. The market value of multistate utilities is determined by the "unit value" approach, which values the entire intrastate or interstate operation as a unit then allocates the value to the State of Utah and then to the counties.

Properties of mining operations, as well as gas and oil companies, are physically valued to arrive at fair market value. Producing mines and oil and gas wells are valued by discounting future estimated cash flows to present value. Patented mining claims are valued based on the fair market value of the surface property.

STATEWIDE TAXABLE VALUES CALENDAR YEAR 2001



Taxable Value - Natural Resources



Taxable Value - Utilities

Property Tax Relief

Utah Code Ann. §59-2-1104 through 1109 and §59-2-1202 through 1220

The State of Utah provides several forms of property tax relief:

Veteran's Exemption

An exemption of up to \$82,500 in taxable value on a residence or personal property may be granted to a disabled veteran, to the unmarried veteran's widow(er), and/or to minor orphans.

Blind Exemption

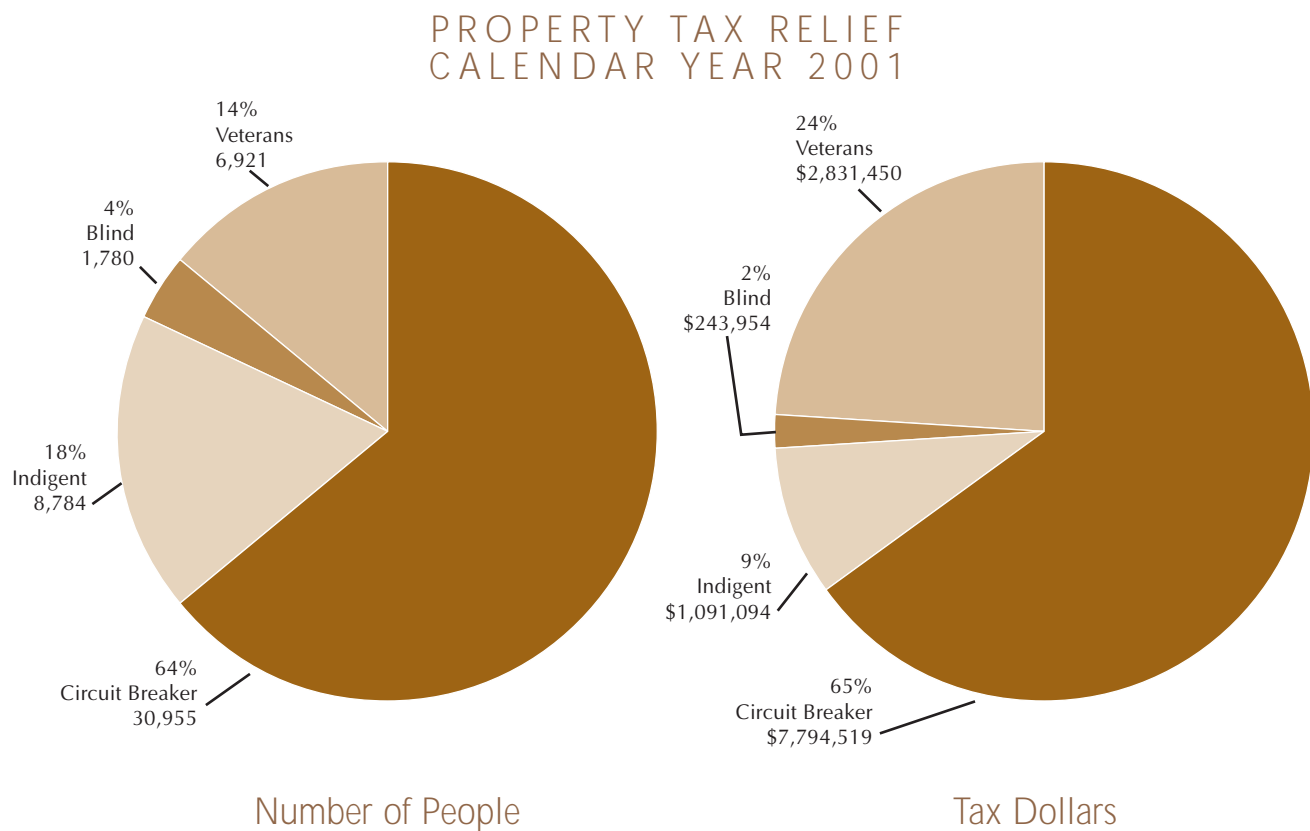
Up to \$11,500 in taxable value of real and/or personal property owned by blind persons, their unmarried widow(er), and/or minor orphans is exempt from property taxation.

Indigent (Poor) Abatement

An indigent or poor abatement may be granted in an amount of 50 percent of the taxes levied, not to exceed \$616 for year 2001.

Circuit Breaker

Elderly and/or low-income or widowed homeowners and mobile home owners may apply through the county boards of equalization for "circuit breaker" relief, up to \$616 for year 2001. Renters are also eligible and may apply for relief to the State Tax Commission.



INCOME TAX

Utah has both an individual income tax and a corporate franchise tax based on income. The Uniform School Fund was established constitutionally in 1938. Since 1947, all taxes based on income have been constitutionally required to be used for public education. In 1996, voters in Utah approved a constitutional change providing that these revenues could also be used for higher education. Utah is the only state where this constitutional mandate exists.

Individual Income Tax

Utah Code Ann. §59-10-102

Utah levies an income tax tied to the federal tax system, which means that Utah allows for the federal standard deduction or itemized deductions, and 75% of the federal personal exemption. Utah has six tax brackets, which for return year 2001 had a top rate of 7.0 percent, levied on taxable income greater than \$8,626 for married joint head of household or qualifying widower filers. The top rate of 7.0 percent is levied on taxable incomes greater than \$4,313 for single or married separate returns.

FY 2002 REVENUES: \$1,610,598,033

Individual Income Tax Withholding

Utah Code Ann. §59-10-402

An employer must withhold state income tax from employee paychecks if the employer:

- i does business in Utah, or obtains any income from Utah sources; and
- ii pays wages to individuals who perform services for that employer, within or without the state of Utah, on an employer/employee basis.

INDIVIDUAL INCOME TAX REVENUES INCLUDE WITHHOLDING AMOUNTS

Corporate Franchise Tax

Utah Code Ann. §59-7-101

The Corporate Franchise and Income Tax rate is 5 percent of Utah net income for tax years beginning on or after January 1, 1984, with a \$100 minimum tax.

FY 2002 REVENUES: \$118,920,279

Gross Receipts Tax

Utah Code Ann. §59-8-101 and 8a-101

The Gross Receipts Tax is an in-lieu tax imposed on the gross receipts of corporations, other than religious or charitable institutions, operating in the State of Utah, that are not otherwise required to pay income or franchise taxes to the state or declare dividends.

In addition, the Legislature imposed the Gross Receipts Tax on Electrical Corporations whose property tax liability was decreased as a result of property tax reductions authorized by the 1995 Utah Legislature.

FY 2002 REVENUES: \$7,958,723

RETURN YEAR 2000 UTAH INCOME TAX
STATISTICS BY TAX LINE
FULL-YEAR RESIDENT

<u>TAX LINE</u>	<u>TOTAL #</u>	<u>TOTAL \$</u>	<u>AVERAGE \$</u>
Adjusted Gross Income	880,693	\$37,746,825,175	\$42,860
State Income Tax Add Back	347,940	\$1,353,366,760	\$3,890
Lump Sum Distribution	746	\$12,952,847	\$17,363
Medical Saving Addition	22	\$36,867	\$1,676
Education Saving Addition	13	\$25,655	\$1,973
Adoption Refund Addition	74	\$229,239	\$3,098
All Other Additions	112	\$299,751	\$2,676
Deductions	874,284	\$13,017,695,853	\$14,890
Exemptions	768,385	\$1,962,219	\$3
Personal Exemption	762,170	\$4,073,822,279	\$5,345
One-Half Federal Tax	670,150	\$3,123,284,742	\$4,661
State Tax Refund Deduction	204,882	\$163,774,455	\$799
Retirement Exemption	73,402	\$624,544,399	\$8,509
U.S. Interest	26,479	\$95,906,525	\$3,622
All Other Deductions	798	\$2,246,204	\$2,815
Medical Saving Deduction	61	\$89,827	\$1,473
Education Saving Deduction	737	\$2,156,377	\$2,926
Insurance Premium Deduction	58,669	\$89,327,900	\$1,523
Adoption Expense	969	\$4,706,164	\$4,857
Railroad Retirement	1,974	\$22,501,538	\$11,399
Native American	1,247	\$26,102,118	\$20,932
Other	594	\$3,645,398	\$6,137
Utah Taxable Income	879,959	\$17,862,231,859	\$20,299
Utah Income Tax Liability	713,911	\$1,556,211,450	\$2,180
Withholding	770,374	\$1,381,329,669	\$1,793
Credit For Taxes To Other States	11,188	\$22,186,163	\$1,983
Prepaid Taxes	17,570	\$167,037,080	\$9,507
Other Credits	8,346	\$2,939,049	\$352
Penalty	17,830	\$2,161,859	\$121
Interest	29,714	\$1,257,147	\$42
Wildlife	3,883	\$39,800	\$10
Net Refund	653,762	\$294,126,517	\$450
Use Tax	5,165	\$217,010	\$42
Disabled Exemption	8,985	\$10,082	\$1
Tax Due With Return	180,707	\$273,091,223	\$1,511

2000 UTAH INCOME TAX LIABILITY BY COUNTY AND RESIDENCY

<u>COUNTY</u>	<u>NON OR PART-YEAR RESIDENT INCOME TAX LIABILITY</u>	<u>FULL-YEAR RESIDENT INCOME TAX LIABILITY</u>	<u>COMBINED INCOME TAX LIABILITY</u>
Beaver County	\$12,725	\$2,161,615	\$2,174,340
Box Elder County	\$173,379	\$23,173,608	\$23,346,987
Cache County	\$642,741	\$45,713,950	\$46,356,691
Carbon County	\$109,297	\$10,421,560	\$10,530,857
Daggett County	\$23,392	\$369,190	\$392,582
Davis Count	\$3,619,308	\$173,191,629	\$176,810,937
Duchesne County	\$46,077	\$5,700,041	\$5,746,118
Emery County	\$41,224	\$4,885,259	\$4,926,483
Garfield County	\$20,422	\$1,454,677	\$1,475,099
Grand County	\$97,447	\$4,336,973	\$4,434,419
Iron County	\$194,289	\$12,528,319	\$12,722,607
Juab County	\$20,935	\$3,255,521	\$3,276,456
Kane County	\$49,585	\$2,396,473	\$2,446,058
Millard County	\$59,570	\$4,695,510	\$4,755,080
Morgan County	\$65,788	\$5,271,882	\$5,337,669
Piute County	\$14,615	\$320,348	\$334,963
Rich County	\$9,188	\$859,139	\$868,327
Salt Lake County	\$9,452,544	\$714,121,555	\$723,574,099
San Juan County	\$29,200	\$2,664,262	\$2,693,462
Sanpete County	\$56,034	\$7,240,217	\$7,296,251
Sevier County	\$72,804	\$7,327,008	\$7,399,811
Summit County	\$1,417,463	\$66,250,156	\$67,667,619
Tooele County	\$409,989	\$23,341,013	\$23,751,001
Uintah County	\$140,546	\$11,108,890	\$11,249,435
Utah County	\$3,108,897	\$212,447,301	\$215,556,198
Wasatch County	\$110,199	\$10,139,89	\$10,250,0923
Washington County	\$806,052	\$44,793,710	\$45,599,763
Wayne County	\$19,068	\$845,614	\$864,682
Weber County	\$1,911,961	\$128,879,603	\$130,791,563
Out of State	\$53,337,882	\$25,051,246	\$78,389,128
Other Utah	\$59,032	\$374,046	\$433,078
TOTAL	\$76,131,650	\$1,555,320,208	\$1,631,451,859

2002 LEGISLATIVE SUMMARY

The following tax-related legislation was enrolled during the 2002 General Session of the Utah Legislature. For more information on these bills, please visit the Legislature's Internet page at <http://le.utah.gov>.

House Bills

HB 4 Motorboating and Boating Under the Influence Provisions

Rep. L. Pace (Effective July 1, 2002) Increases the administrative impound fee for a boat impounded for boating under the influence from \$25 to \$200. This matches the administrative impound fee imposed for vehicles impounded for DUI.

HB 31 License Plate Requirements

Rep. B. King (Effective May 6, 2002) Eliminates the county designation decal from license plates.

HB 51 Sales and Use Tax Modifications

Rep. W. Harper (Effective July 1, 2002) Indicates which sales tax exemptions extend to sales of parts; provides that labor performed on exempt property is also exempt; for the most part, these provisions codify current commission practice; provides a sales tax exemption for amounts paid to horse-drawn cabs or carriages.

HB 52 Higher Education Savings Incentive Program Amendments

Rep. K. Bryson (Effective May 6, 2002) Provides that the state deduction for amounts placed into the Higher Education Savings Incentive Program applies only for amounts that were included in federal taxable income.

HB 88 Sales and Use Tax - Agricultural Exemption

Rep. E. Anderson (Effective July 1, 2002) Codifies existing Tax Commission administration of the sales tax exemption for property used primarily and directly in farming operation (i.e., all parts and labor relating to exempt farm equipment are also exempt).

HB 91 Mineral Production Tax Withholding Amendments

Rep. G. Snow (Effective July 1, 2002) Provides that 501(c)(3) organizations exempt from corporate franchise or income taxes are also exempt from mineral production tax withholding.

HB 94 Special Fuel Tax Amendments

Rep. B. Ferry (Effective January 1, 2003) Eliminates requirement that a special fuel user file a special fuel return if Utah special fuel tax had been paid on all of the special fuel used; authorizes the Tax Commission to require an annual certification indicating that all of the user's fuel was tax paid

and whether the user had bulk storage facilities; requires the user to maintain evidence of all fuel purchases; clarifies that only qualified vehicles are required to carry a special fuel permit.

HB 95 Property Taxes - Notice of Delinquency

Rep. M. Dillree (Effective May 6, 2002) Provides that a county treasurer shall, prior to December 31, mail a written notice of delinquent property taxes to each delinquent taxpayer, and shall make available, by electronic means, a list of delinquencies to the public; in the alternative, the treasurer may publish a list of delinquent taxpayers in one issue of a newspaper of general circulation within the county; provides that in addition to the required notice, a county treasurer may send written notice of delinquency to a delinquent taxpayer, an owner of record of the delinquent property, or any other interested party that requests notice, and at any time the treasurer considers appropriate.

HB 118 Special License Plates for Search and Rescue Teams

Rep. B. Ferry (Effective October 1, 2002) Authorizes a special group license plate for current members of a search and rescue team; imposes an additional \$5 fee for the original purchase of the plates (no additional fee for the renewal); license plate will bear the search and rescue team member's radio call sign.

HB 129 Sales and Use Taxes - Exemption for Certain Sales of Electricity

Rep. L. Shurtliff (Effective July 1, 2002) Provides a sales tax exemption for sales of electricity produced from a new wind, geothermal, biomass, or solar power energy source, as designated by a Public Service Commission Tariff; the sale of electricity may be unrelated to the amount of electricity used by the purchaser, but must be purchased in the blocks established in the tariff.

HB 155 Property Taxes - Farmland Assessment Act

Rep. T. Hatch (Effective January 1, 2003) Clarifies when land qualifies or is withdrawn from FAA; decreases the penalty for failure to notify the county within 180 days of the land's withdrawal from FAA from 100% of the rollback tax to the greater of \$10 or 2% of the rollback tax due for the last year of the rollback period; clarifies when a rollback tax is imposed on land withdrawn from a conservation easement; addresses the process for applying for assessment under FAA; changes the filing date for FAA assessment from March 1 to May 1;

modifies provisions related to one-time payments in lieu of the rollback tax; defines identical legal ownership for purposes of qualifying for FAA assessment; provides that land less than 5 contiguous acres in area may qualify for assessment under FAA if it is used in conjunction with other agricultural land in the same county; provides that if land in agricultural use in one ownership is located in more than one county, and the land is not contiguous across county lines, FAA status shall be determined on the basis of the land's area and production in each county; exempts property from privilege tax if the use or possession of the property qualifies as land in agricultural use.

HB 171 Low-speed Electric Vehicles on Certain Highways

Rep. D. Bush (Effective October 1, 2002) Defines a low-speed vehicle and considers it a motor vehicle for all purposes, including titling, registration, license plates, property tax, and fuel tax; restricts a low-speed vehicle to certain low-speed streets; exempts a low-speed vehicle from emission inspections.

HB 172 Vehicle Safety Inspection Amendments

Rep. W. Harper (Effective January 1, 2003) Decreases the frequency of required vehicle safety inspections from every 2 years for vehicles less than 5 years old to every 2 years for vehicles less than 8 years old; decreases the frequency of required emissions inspections, to the extent allowed under the federally approved state implementation plan for air quality, to require emissions inspections every 2 years for vehicles that are less than 6 years old; increases fees for safety and emissions inspections.

HB 185 Reauthorization of Individual Income Tax Credit – Tutoring Disabled Dependents

Rep. J. Buffmire (Effective May 6, 2002) Reauthorizes the tutoring tax credit for disabled dependents for an additional seven years.

HB 201 Property Tax – Judgment Levy

Rep. W. Harper (Effective January 1, 2003) For purposes of imposing a judgment levy, increases the amount of a taxing entity's share of a judgment from \$1000 to \$5000 or from 1% to 2.5% of the total ad valorem property taxes collected by the taxing entity in the previous fiscal year; orders refunds less than \$5000 to be paid within 60 days.

HB 238 Cigarette and Tobacco Tax Amendments

Rep. C. Saunders (Effective May 6, 2002) Increases the tax rate on cigarettes from 2.575¢/cigarette to 3.475¢/cigarette for lighter cigarettes, and from 3.175¢/cigarette to 4.075¢/cigarette for heavier cigarettes; provides for distribution of the increased tax.

HB 249 Sales and Use Tax – Location of Transactions

Rep. W. Harper (Effective January 1, 2003) Deletes provisions that prohibited the Tax Commission from requiring utilities to report the location where services are delivered; requires utilities to report the location of where services are delivered for the filing period.

HB 281 Regulation of Personal Motorized Mobility Devices

Rep. G. Curtis (Effective May 6, 2002) Defines and exempts personal motorized mobility devices from vehicle registration and insurance requirements.

HB 305 Property Tax Amendments

Rep. W. Harper (Effective January 1, 2003) Provides that a county may not require an application to receive the residential exemption unless the county has passed an ordinance requiring the application; if the county imposes the ordinance, the county may only require the application if the property did not qualify for the exemption for the prior year, the ownership in the property changed, or the BOE has reason to believe that the property no longer qualifies for the exemption; provides a county may not require an annual application for any property tax exemption except the religious, charitable, educational, or place of burial exemptions; requires an annual statement that property approved for a religious, charitable, educational, or place of burial exemption continues to qualify for the exemption.

HB 337 Veterans Service Organizations Special License Plates

Rep. S. Mascaro (Effective October 1, 2002) Increases the decals veterans' special group license plates may display to include a decal for the American Legion.

HB 352 Revisions to General Government – Tobacco Amendments

Rep. D. Hogue (Effective May 6, 2002) Requires Tax Commission to publish list of all cigarette manufacturers selling product in the state (along with the brands they are selling in the state) that are either participating in the Master Settlement Agreement or are non-participating manufacturers and in compliance with escrow requirements; prohibits placing a stamp on cigarettes if the manufacturer is not on the list.

Senate Bills

SB 3 Minimum School Program Act Amendments

Sen. H. Stephenson (Effective July 1, 2002) Requires each school district to impose a basic tax rate per dollar of taxable value that generates \$206,690,578 in revenues statewide and establishes a preliminary tax rate estimate of .001813 for 2002-2003.

SB 6 Application for Vehicle Title Amendments

Sen. D. Eastman (Effective May 6, 2002) Provides that only one owner of a motor vehicle, and not all owners, must sign the title application.

SB 7 Cigarette Tax Stamp and Contraband Amendments

Sen. D. Allen (Effective May 6, 2002) Requires Tax Commission to notify manufacturers, distributors, wholesalers, and retailers when a manufacturer is prohibited from selling cigarettes to consumers under the terms of the Master Settlement Agreement; provides that a licensed person may not sell cigarettes from a manufacturer who is prohibited from selling product in the state; allows Tax Commission to seize stamped cigarettes sold by an unlicensed retailer; provides that all seized cigarettes shall be destroyed; reports of sales of non-participating manufacturer product are changed from an annual to a quarterly filing.

SB 15 Organ Donation Checkoff

Sen. K. Hale (Effective July 1, 2002) Authorizes voluntary checkoff contribution of \$2 on motor vehicle registrations for purposes of organ donation; creates organ donation contribution account.

SB 28 Tax Credits – Removal of Tax Credit From Tax Form

Sen. C. Bramble (Effective January 1, 2002) Requires the Tax Commission to remove income and corporate tax credits from the tax return if the total credit is less than \$10,000 per year and less than 10 persons claim the credit for 3 consecutive years; persons filing returns cannot claim or carry forward a credit that has been removed; requires Tax Commission to report to the Revenue and Taxation Interim committee and each state agency that assists in the administration of the tax credit for each credit that satisfies the conditions for removal.

SB 48 Public Agency Mutual Insurance Amendments

Sen. J. Hickman (Effective July 1, 2002) Exempts public agency insurance mutuals from Title 31A; removes public agency insurance mutuals from insurance premium tax and subjects those entities to tax as self-insured employers. The effect of this is to increase the tax these entities pay by .25 percent.

SB 57 Corporate Franchise and Income Taxes – Treatment of Certain Cooperatives

Sen. J. Valentine (Effective January 1, 2002) Clarifies that a farmer cooperative is exempt from Utah corporate franchise tax and that any other cooperative subject to federal Subchapter T is exempt from Utah corporate franchise tax to the extent it is exempt from federal tax.

SB 59 Sales and Use Tax – Taxation of Amounts Paid to a Telephone Service Provider or Telegraph Corporation

Sen. C. Bramble (Effective July 1, 2002) Clarifies that sales tax is imposed on all intrastate telephone service, regardless of the type of business entity providing the service.

SB 144 Sales and Use Tax – Definition of Regularly Rented

Sen. M. Waddoups (Effective July 1, 2002) Amends the definition of regularly rented from both rented for value 3 or more times and advertised, to rented for value 3 or more times or advertised.

SB 153 Taxes or Charges on Telecommunications Service

Sen. C. Bramble (Effective July 1, 2002) Brings state law in compliance with the federal Mobile Telecommunications Sourcing Act by: (1) requiring the sourcing of mobile telecommunications to the place of primary use; (2) authorizing the imposition of sales tax on wireless calls made entirely within another state if the place of primary use is in Utah; and (3) prohibiting the state's taxation of wireless calls made within the state by nonresidents.

SB 169 Property Tax Modifications

Sen. C. Bramble (Effective January 1, 2003) Amends the interest rate and the period for which interest is calculated when a court, the county BOE, or the commission orders a reduction in the amount of property taxes paid by a taxpayer; interest rate shall match the interest rate earned by the state treasurer on public funds transferred to the state treasurer; interest calculated for the period beginning on the later of the day the tax was paid or January 1 of the year following the calendar year for which the tax was due, and ending on the day the tax is refunded; refunds interest paid by a taxpayer equal to the amount of any interest the taxpayer paid.

SB 173 Motor Vehicle Registration for Fleets

Sen. D. Eastman (Effective on approval by Governor) Provides that if a motor vehicle is part of a fleet of 101 or more vehicles, the safety inspection may be obtained 11 (not 2) months prior to the vehicle's registration renewal.

SJR 10 Resolution Amending Revenue and Taxation Provisions of Utah Constitution

Sen. J. Valentine (Effective January 1, 2003 – if approved by voters) Technical revisions to the revenue and taxation article of the Utah Constitution.

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Access to various in-depth Utah State Tax Commission
economic and revenue reports including previously published
annual reports are available at

tax.utah.gov