RESOLUTION 2024-02

A RESOLUTION BY THE UTAH FAIRPARK AREA INVESTMENT AND RESTORATION DISTRICT BOARD LEVYING AN ENERGY AND USE TAX PURSUANT TO UTAH CODE §10-1-304(1)(d)(i).

WHEREAS, in 2024 the Utah Legislature created the Utah Fairpark Area Investment and Restoration District (UFAIR) to encourage and facilitate development to provide economic benefit within the UFAIR boundary, surrounding areas, the region, and the state; and

WHEREAS, the Utah Fairpark Area Investment and Restoration District (UFAIR) may, by resolution, levy an energy sales and use tax on an energy supplier that supplies energy to a facility on land within the UFAIR sales tax area; and

WHEREAS, the tax to be imposed shall not exceed 6% of the delivered value of the taxable energy and is payable by the energy supplier to UFAIR on a monthly basis pursuant to Utah Code § 11-70-205(4)(a); and

WHEREAS, the UFAIR Board desires to levy an energy and use tax in accord with Utah Code §§ 10-1-304 and 11-70-205.

NOW, THEREFORE, BE IT RESOLVED BY THE UFAIR BOARD as follows:

SECTION I: **Approval.** The UFAIR Board hereby approves the levy of an energy sales and use tax on energy suppliers that supply energy to a facility on land within the UFAIR sales tax area.

SECTION II: **Amount.** The tax imposed shall be 6% of the delivered value of the taxable energy to the consumer.

SECTION III: **Relationship to Rates Charged by Public Service Commission**: The energy sales and use tax imposed by this Resolution is in addition to the rate approved by the Public Service Commission and charged to the consumer.

SECTION IV: **Exemptions.** Pursuant to Utah Code § 10-1-305(2)(b), the following taxes are exempt from this energy sales and use tax resolution:

a. The sale and use of aviation fuel, motor fuel, or special fuel subject to taxation under Title 59, Chapter 13, Motor and Special Fuel tax Act;
b. the sales and use of taxable energy that the municipality is prohibited from taxing under federal law or the Constitution of the United States or the Utah Constitution

c. the sales and use of taxable energy purchased or stored in the state for resale;
d. the sales or use of taxable energy to a person if the primary use is for use in compounding or producing taxable energy or a fuel subject to taxation under Title 59, Chapter 13, Motor and Special Fuel Tax Act;
e. taxable energy brought into the state by a nonresident for the nonresident's own personal use or enjoyment while within the state, except taxable energy purchased for use in the state by a nonresident living or working in the state at the time of purchase;
f. the sales or use of taxable energy for any purpose other than use as a fuel or energy; and
g. the sale of taxable energy for use outside a municipality imposing a municipality energy sales and use tax;

SECTION V: **Payments to be made to UFAIR**. An energy supplier shall pay the Energy Sales and Use Tax collected from consumers directly to UFAIR pursuant to Utah Code § 11-70-205(4)(a).

SECTION VI: **Retention of the Tax Remittance.** An energy supplier paying the Energy Sales and Use Tax directly to UFAIR may retain 1% of the tax remittance each month to offset the cost of collecting and remitting the tax.

SECTION VII: **Reporting to State Tax Commission.** An energy supplier paying an energy sales and use tax directly to UFAIR shall file an information return with the State Tax Commission, at least annually, on a form prescribed by the State Tax Commission in accord with Utah Code § 10-1-307(5).

SECTION: VIII: **Amendments to the Sales and Use Tax Act**: This Resolution adopts by reference any amendments of Title 59, Chapter 12, Part 1, Tax Collection, that relate to collecting an energy sales tax.

SECTION IX: **Effective Date.** The Energy and Use Tax shall become effective on April 1, 2027

PASSED AND ADOPTED by the Utah Fairpark Area Investment and Restoration District Board on this 17 day of October 2024.

Utah Fairpark Area Investment and
Restoration District

Chair

Attest:

UFAIR Staff