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March 20, 2026

Governor's Office of Economic Opportunity (GOEO)
c/o Kamron Dalton
Managing Director GOEO
60 East South Temple, Suite 300
Salt Lake City, Utah 84111-1041

Mr. Dalton,

The Tax Commission is in receipt of the Kimball Junction - Summit County Housing and Transit Reinvestment Zone (HTRZ) proposal dated January 22, 2026. Pursuant to Subsection 63N-3-604(3)(c), the Tax Commission is required to review each HTRZ application and provide an evaluation to the Governor's Office of Economic Opportunity describing any challenges it poses to tax administration or indicating that the proposal can be administered as presented.

Pursuant to Subsection 63N-3-604, the proposal must:

- Define the boundary of the HTRZ for purposes of property tax increment;
- Establish the base year from which to calculate the property tax increment;
- Indicate the property tax increment collection period; and
- Define the boundary of the HTRZ for purposes of sales and use tax increment that conforms to the requirements of Section 63N-3-610;
- Establish a base year from which to calculate sales and use tax increment that conforms to the requirements of Section 63N-3-610;
- Indicate the sales and use tax collection period that conforms with the requirements of Section 63N-3-610.

Based on a review of the above referenced application, the Tax Commission finds the following for purposes of property tax increment.

- The application has included maps and descriptions of the proposed boundary of the HTRZ adequate to identify the parcels subject to property tax increment.
- The application has identified calendar year 2026 as the proposed base year for purposes of property tax increment. Pursuant to Subsection 63N-3-602(4), the base year must be the calendar year immediately prior to year increment collection begins for a particular parcel. Assuming increment collection will begin for all parcels within the HTRZ in calendar year 2027, a base year of calendar year 2026 satisfies the statute. If increment collection is delayed beyond calendar year 2027 for any parcel within the proposed HTRZ, a 2026 base year will not be statutorily compliant with respect to those delayed parcels.

- It appears that the proposal anticipates a 25-year property tax increment collection period. Assuming increment collection begins in calendar year 2027, it will end in calendar year 2051.
- **OF NOTE:** In appendix 1 of the application, it appears to propose the capture of increment from the multicounty assessing and collecting levy. If this is the intent, it is in violation of Subsection 63N-3-602(32)(b) which prohibits the capture of increment from the multicounty assessing and collecting levy. If this application is approved, it should be clarified property tax increment from the multicounty assessing and collecting levy will not be included.
- Subject to the forgoing comments, the Tax Commission finds that it is feasible to administer the property tax increment as proposed in the application. However, because the property tax increment will be calculated and distributed by the Summit County Auditor, we recommend ensuring that the Summit County Auditor also receives an opportunity to review and comment on the feasibility of this application.

Based on a review of the above referenced application, the Tax Commission finds the following for purposes of sales and use tax increment.

- The application has included maps and descriptions of the proposed boundary of the HTRZ adequate for the Tax Commission to identify the sales and use tax increment boundary. Under Section 63N-3-610 the sales and use tax boundary is based on existing sales and use tax collection boundaries as determined using the USPS Zip code database. However, the proposed area to be included in the HTRZ is primarily undeveloped land that has not yet been assigned USPS delivery routes. As a result, the interim sales and use tax boundary will mirror the proposed property tax boundary until delivery routes are established. Once development occurs and the USPS delivery routes are established, the sales and use tax boundary may need to be redetermined consistent with those routes.
- The application proposes a sales and use tax base year of calendar year 2026. While the application does not specify a specific date in 2026 that the base year will begin, we assume that it is proposing the same January 1, 2026, base year as has been proposed for property tax increment. However, under Subsection 63N-3-610(1) the “sales and use tax base year is established prospectively, 90 days after the date of the notice described in Subsection (4).” As a result, a sales and use tax base year beginning January 1, 2026, is not compliant with the statute because it is not “established prospectively” and the Tax Commission has not yet received the notice described in Subsection (4). Assuming this application is approved, if the Tax Commission receives the notice described in Subsection (4) on or before April 1, 2026, the sales and use tax base year could commence on July 1, 2026.
- The application appears to propose a sales and use tax collection period beginning “in 2027” and running until “2051.” However, the sales and use tax base year must be complete before the increment collection period can commence. Therefore, as mentioned in the previous paragraph, if it is assumed that the base year will commence on July 1, 2026, then the increment collection period will commence on July 1, 2027, and run until June 30, 2052. Any additional delay in establishing the base year will have the effect of delaying the increment collecting period accordingly.

I am available to answer any questions you may have.

Sincerely,

Jason Gardner
Deputy Executive Director
Utah State Tax Commission