Draft Amendment
May 28, 2026

DRAFT

R865. Tax Commission, Auditing.

R865-19S. Sales and Use Tax.

R865-19S-43. Sales to or by Religious and Charitable Institutions Pursuant to Utah Code Ann. Section 59-12-104.

[~~A.~~](1) In order to qualify for [~~an~~] a sales and use tax exemption [~~from sales tax~~] as a religious or charitable institution, an organization must be recognized by the Internal Revenue Service as exempt from tax under Section 501(c)(3) or (c)(19), [~~of the~~] Internal Revenue Code.

[~~B.~~](2)(a) As used in Subsection (2)(b), “unrelated trade or business” means the same as that term is defined in Section 513, Internal Revenue Code.

(b) Unless otherwise exempt by law, [~~R~~]religious and charitable institutions must report, collect, and remit sales or use tax to the Tax Commission on the sales price or purchase price of any sales or purchases [~~income~~] arising from an unrelated trade[~~s~~] or business[~~es and report that sales tax to the Tax Commission unless the sales are otherwise exempted by law~~].

[~~1. The definition of the phrase "unrelated trades or businesses" shall be the definition of that phrase in 26 U.S.C.A. Section 513 (West Supp. 1993), which is adopted and incorporated by reference.~~

~~C. Every institution claiming exemption from sales tax under this rule must submit f~~]

(3)(a) An organization that seeks to claim a sales or use tax exemption for religious or charitable institutions shall submit Form TC-160, Application for Sales Tax Exemption Number for Religious or Charitable Institutions, along with any other information [~~that form~~] Form TC-160 requires, to the Tax Commission for its determination. [~~Vendors making sales to institutions exempt from sales tax are subject to the requirements of~~]

(b) A seller that makes a sale to a religious or charitable institution is subject to Rule R865-19S-23.