

AGENDA  
ADMINISTRATIVE RULE MEETING  
UTAH STATE TAX COMMISSION

December 9, 2010 • 8:00 a.m.  
Commission Hearing Room 1025 • 210 North 1950 West  
Salt Lake City, Utah

1 Commission Business

- 1.1 Call to Order
- 1.2 Approval of Minutes for September 23, 2010.

2 Amendments

There will be public comment and discussion prior to Commission action.

- 2.1 R865-6F-8. Allocation and Apportionment of Net Income (Uniform Division of Income for Tax Purposes Act) Pursuant to Utah Code Ann. Sections 59-7-302 through 59-7-321.

*The proposed amendment indicates how a sales factor weighted taxpayer shall apply the single sales factor apportionment, during the phase-in period of that apportionment method, if a factor is missing.*

- 2.2 R865-6F-16. Apportionment of Income of Long-Term Construction Contractors Pursuant to Utah Code Ann. Sections 59-7-302 through 321.

*The proposed amendment updates references to Section R865-6F-8. The proposed amendment also repeals language providing that the apportionment fraction is the total of the property, payroll, and sales percentages divided by three, since there are now alternative methods of determining the apportionment fraction.*

- 2.3 R865-6F-32. Taxation of Financial Institutions Pursuant to Utah Code Ann. Sections 59-7-302 through 59-7-321.

*The proposed amendment updates references to Section R865-6F-8. The proposed amendment also updates the determination of where a service is performed, for purposes of apportioning the receipts from a service performed both within and without the state, to the state where the purchaser of the services receives a greater benefit than in any other state. This matches recent statutory changes. Finally, the proposed amendment makes technical, nonsubstantive changes.*

- 2.4 R865-6F-33. Taxation of Telecommunications Pursuant to Utah Code Ann. Sections 59-7-302 through 59-7-321.

*The proposed amendment updates references to Section R865-6F-8. The proposed amendment also repeals language providing that the apportionment fraction is the total of the property, payroll, and sales percentages divided by three, since there are now alternative methods of determining the apportionment fraction.*

- 2.5 R884-24P-53. 2011 Valuation Guides for Valuation of Land Subject to the Farmland Assessment Act Pursuant to Utah Code Ann. Section 59-2-515.

***Section 59-2-515 authorizes the State Tax Commission to promulgate rules regarding the Property Tax Act, Part 5, Farmland Assessment Act. Section 59-2-514 authorizes the State Tax Commission to receive valuation recommendations from the State Farmland Advisory Committee for implementation as outlined in Section R884-24P-53.***

- 2.6 R884-24P-62 Valuation of State Assessed Unitary Properties Pursuant to Utah Code Ann. Section 59-2-201.

***The proposed amendment specifies that the preferred valuation methodologies outlined in Tax Commission Section R884-24P-62 be used when possible to value airlines. In addition, the amendment provides that an aircraft valuation manual, with a fleet adjustment, may be used to determine fair market value of an airline when the preferred methods of valuation do not provide a reasonable estimate of fair market value.***

### 3. Other Items / Adjourn

Although the formal public comment period published through the Division of Administrative Rules has concluded for the rules posted on this agenda, the Commission will accept comments on these rules at the meeting and prior to the meeting in writing. Comments can be addressed to Commissioner Cragun and emailed to [taxrules@utah.gov](mailto:taxrules@utah.gov), faxed to 801-297-3919, or mailed to The Office of the Commission, Utah State Tax Commission, 210 N. 1950 W., Salt Lake City, Utah 84134. For questions, please call Christa Johnson at 297-3901. Full text of rules can be found at [www.tax.utah.gov](http://www.tax.utah.gov). If you would like to receive notice of future rule items, email [cj@utah.gov](mailto:cj@utah.gov) with your name, email address and request to be added to the Tax Commission rules list server.

Tax Commissioners may participate in the meeting via telephonic communications per Rule R861-1A-43 – Electronic Meetings Pursuant to Utah Code Ann. Section 52-4-207. If a Commissioner does participate via telephonic communication, the Commissioner will be on speaker phone. The speaker phone will be amplified so that the other Commissioners and all other persons present in the Commission Chambers will be able to hear all the discussions.

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Posted: 11/24/2010  
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