

R865. Tax Commission, Auditing.

R865-19S. Sales and Use Tax.

R865-19S-94. Service Charges, Tips, Gratuities, [and] Cover Charges, and Other Similar Charges Pursuant to Utah Code Ann. Section 59-12-103.

(1)(a) Restaurants, cafes, clubs, private clubs, and similar businesses must collect sales tax on service charges, tips, [ø] gratuities, cover charges, or other similar charges included on a patron's bill that are required to be paid.

~~[(a) Tax on the required gratuity is due from a private club, even though the club is not open to the public.]~~

(b) Voluntary ~~[tips]~~amounts left on the table or added to a credit card charge slip are not subject to sales tax.

(2) A service charge, tip, gratuity, cover charge, or other similar charge that a restaurant, cafe, club, private club, or similar business includes on a patron's bill is presumed to be required unless:

(a) language on the front of the bill states that the service charge, tip, gratuity, cover charge, or other similar charge is voluntary and may be increased or decreased by the patron; and

(b) the language described in Subsection (2)(a) is in the same font size as the service charge, tip, gratuity, cover charge, or other similar charge that the restaurant, cafe, club, private club, or similar business included on the bill.

~~[(2)](3) [Cover charges]~~Charges to enter a restaurant, tavern, club or similar facility are taxable as an admission to a place of recreation, amusement or entertainment.

KEY: charities, tax exemptions, religious activities, sales tax

Date of Enactment or Last Substantive Amendment: August 28, 2014

Notice of Continuation: January 3, 2012

Authorizing, and Implemented or Interpreted Law: 9-2-1702; 9-2-1703; 10-1-303; 10-1-306; 10-1-307; 10-1-405; 19-6-808; 26-32a-101 through 26-32a-113; 59-1-210; 59-12; 59-12-102; 59-12-103; 59-12-104; 59-12-105; 59-12-106; 59-12-107; 59-12-108; 59-12-118; 59-12-301; 59-12-352; 59-12-353