

UTAH STATE TAX COMMISSION

SUMMARY OF RULES

Proposed Rule Amendments

The proposed rule amendments can be found on the Utah State Tax Commission website <http://tax.utah.gov/commission/rules>. The rule amendments will be posted on the Division of Administrative Rules bulletin **March 1, 2012** and the Public comment on the following rule amendments ended on **April 2, 2012**.

Rule Number: R861-1A-9
Rule Title: Tax Commission as Board of Equalization Pursuant to Utah Code Ann. Sections 59-2- 212, 59-2-1004, and 59-2-1006

Summary: The proposed amendment deletes requirements related to appeals to a county BOE. Those provisions are included in a proposed amendment to Tax Commission rule R884-24P-66. Accordingly, it is proposed that this rule will only deal with property tax appeals to the Tax Commission while R884-24P-66 deals with property tax appeals to the county BOE. This proposed amendment renumbers the provisions concerning appeals to the Tax Commission, and makes some minor changes to those procedures, including the information that must be submitted to the Tax Commission when appealing a county BOE decision. The proposed amendment also allows a party to raise a new issue before the Tax Commission.

Rule Number: R865-3C-1
Rule Title: Allocation of Net Income Pursuant to Utah Code Ann. Section 59-7-204
Summary: The proposed amendment updates this rule to match statutory changes regarding when an out-of-state corporation with Utah income shall attribute receipts arising from royalties and intangible property to the state.

Rule Number: R884-24P-66
Rule Title: Appeal to County Board of Equalization Pursuant to Utah Code Ann. Section 59-2- 1004

Summary: The proposed amendment provides that factual error includes an error if both the taxpayer and the assessor agree, including an error in the classification of a property that is eligible for valuation under the Farmland Assessment Act. In addition, the amendment includes procedures a county BOE must follow if the county BOE has not enacted its own procedures. These procedures are, in large part, procedures that were formerly found in Tax Commission rule R861-1A-9. In bringing the procedures from rule R861-1A-9 to this rule, the commission proposes: (1) repealing the provision allowing a taxpayer who appears before a county BOE and fails to produce a signed statement containing evidence supporting the taxpayer's claim for relief an additional twenty days to provide that statement, and (2) requiring the county BOE to maintain a record of the appeal.

New Proposed Rules to be Approved for submission to Division of Administrative Rules for publication in Utah Register

The rules will be published in the Utah Bulletin **May 1, 2012** and the Public comment will end on **May 31, 2012**.

Rule Number: Rule R861-1A-16
Rule Title: Utah State Tax Commission Management Plan Pursuant to Utah Code Ann. Section 59-1-207.
Summary: The proposed amendment provides that the commission's delegation of duties does not apply to appeals for waiver of penalties imposed by the Motor Vehicle Enforcement Division under Title 41, Chapter 3.

Rule Number: Rule R877-23V-7
Rule Title: Misleading Advertising Pursuant to Utah Code Ann. Section 41-3-210
Summary: The proposed amendment replaces the terms "automobile" and "vehicle" with the statutorily defined term "motor vehicle." This amendment reflects the Motor Vehicle Enforcement Division's administration of the law.

Rule Number: Rule R877-23V-22
Rule Title: Reasonable Cause to Waive, Reduce, or Compromise a Penalty Pursuant to Utah Code Ann. Section 41-3-704.
Summary: The proposed rule indicates what may constitute reasonable cause to reduce or compromise a penalty imposed under Title 41, Chapter 3; provides that a person seeking to reduce or compromise a penalty must demonstrate that reasonable cause to reduce or compromise the penalty exists and recommend the amount by which the penalty should be reduced or compromised; provides that ignorance of the law or inability to pay do not constitute reasonable cause.

Rule Number: Rule R884-24P-68
Rule Title: Property Tax Exemption for Taxable Tangible Personal Property With a Total Aggregate Fair Market Value [~~of \$3,500 or Less~~] That is At or Below the Statutorily Prescribed Amount Pursuant to Utah Code Ann. Section 59-2-1115.
Summary: The proposed amendment replaces the amount "\$3,500 or less" from the rule and replaces it with the phrase "at or below the statutorily prescribed amount" to reflect the consumer price index increases required by statute.