



STATE OF UTAH

Utah State Tax Commission
210 North 1950 West
Salt Lake City, UT 84134

FREQUENTLY ASKED QUESTIONS Municipal Energy Sales and Use Tax

Q: What is municipal energy sales and use tax?

A: A municipality may levy municipal energy sales and use tax up to 6 percent of the delivered value of taxable energy (gas and electricity) sold or used within its borders. This is in addition to any local-option sales and use taxes the municipality imposes.

Q: Who is required to pay municipal energy sales and use tax and how is it to be paid?

A: A user of taxable energy is liable for the municipal energy sales and use tax on all components of the delivered value of the taxable energy. The delivered value is the arm's length sales price of the energy, including any transportation, freight, service or customer demand charges, or other costs incurred in the obtaining the energy.

In most cases the municipal energy sales and use tax is charged by the supplier and the tax is paid directly to the supplier by the user.

If the supplier or the transporter does not collect the municipal energy sales tax, the user must pay the tax directly to the Tax Commission.

Q: Do I need to pay municipal energy sales and use tax if I am exempt from paying sales and use tax?

A: Yes, exemptions from sales and use taxes do not apply to the municipal energy sales and use tax.

Q: How do I become licensed to report municipal energy sales and use tax?

A: To become licensed for municipal energy sales and use tax you must have a sales tax license. To obtain a sales tax license and also register for municipal energy sales tax, complete Form TC-69, Utah State Business and Tax Registration. Check box 19 in section 7e of the TC-69. This form is found on our website at tax.utah.gov/forms-pubs.

If you already have a sales tax license, check the box on the **Checklist & Questionnaire** indicating you need to be licensed for municipal energy sales and use tax and we will get you licensed.

Q: What if I already reported the municipal energy sales and use tax on the TC-62E?

A: Review your invoices to verify all the tax was reported, complete the **Summary**, and explain in Section D why no tax is due.

References may be found in Administrative Rule R865-19S-103 and Publication 54. These references and other supplemental research sources may be found at tax.utah.gov.