

# **TAX COMMISSION UPDATES FOR UBLA**

---

SEPTEMBER 2022



# TOPICS

---

- COMPLIANCE
- TRANSIENT ROOM
- FOOD TRUCKS
- SORT
- SPECIAL EVENTS

# COMPLIANCE (REVOICATIONS)

---

- Order is issued by Tax Commission Administrative Judge
- Notice to Locality – Tax License Revocation
- Why it is important for all businesses to have a license with the Tax Commission
- Adopt ordinances for compliance



**Utah State Tax Commission**

TAXPAYER SERVICES DIVISION 210 N 1950 W SALT LAKE CITY UT 84134

Website: tax.utah.gov

BIL196 01/2022

Date Issued: June 1, 2022

Letter ID [REDACTED]

[REDACTED]  
PARK CITY BUSINESS LICENSES  
PO BOX 1480  
PARK CITY UT 84060

**Notice to Locality ~ Tax License Revocation  
Of**

[REDACTED]  
I am the director of the Taxpayer Services Division for the Utah State Tax Commission. In this capacity, I have the responsibility for the collection of delinquent taxes owed to the State of Utah.

We have filed tax liens in District Court against [REDACTED] in the amount of \$62,819.74 for failure to pay their tax liability. Liens and associated detail are public record. Their failure to pay the tax has affected your locality's tax revenue.

On June 1, 2022, the Utah State Tax Commission issued an Order of Revocation for the Sales Tax and Withholding license(s) of [REDACTED] Located at [REDACTED]. The revocation order cancels their legal authority to make sales and have employees in the State of Utah. I am enclosing a copy of that order.

This may, in addition, give your locality additional authority to withhold, withdraw or revoke the business license in your jurisdiction.

# Copy of Vernal City Code

## Section 5.04.430 Revocation Or Suspension Of License

**1.The City Council may**, in its discretion and upon notice of hearing, **revoke or suspend any license** granted under the provisions of this title in order to protect the health, safety and general welfare of the present and future inhabitants of the City, upon receiving a report from the Chief of Police **that any licensee or person employed on the licensed premises**, or the persons frequenting, resorting to, or entertained on the premises, **violated or allowed to be violated any law of the state** or ordinance of the City while on the licensed premises.

- This ordinance allows the city to enforce the Tax Commissions order of Revocation.
- The Tax Commission recommends that municipalities adopt similar ordinances
- If the Tax Commission does not get paid, the municipality does not get paid

- Licenses may have a bond requirement if the responsible person (owner, registered agent, etc.) has other licenses (opened or closed) with outstanding balances.
- Bonds must be posted or liability resolved before a new license will be issued. Enforcement actions may be appropriate for non compliance.
- Contact the Tax Commission to verify if license(s) have been issued.
  - 801-297-2200 or Technical Research at 801-297-7705



# RESTAURANTS

---

- Increase in closing
- Operating without licenses
- Tax Commission focus on tighter guidelines for compliance
- Revocations
- How municipalities can help
- Tips email to [taxmaster@utah.gov](mailto:taxmaster@utah.gov)

# SALES ONLINE RESEARCH TOOL (SORT)

---

SORT is a database of all sales tax licenses in Utah. Business license officials use SORT to ensure that their government will receive the sales tax **prior to** issuing business licenses. SORT can also be used to double check whether your government is receiving the sales tax it's entitled to.

When applying for a sales tax license, the taxpayer needs to indicate where the “outlet” (business operating site) is located. The county/municipality in which the outlet is located will receive the sales tax. Sometimes, taxpayers use an incorrect location code, causing the sales tax going to a different city from where they do business in.



# SALES ONLINE RESEARCH TOOL (SORT)

---

Upon processing taxpayer information, SORT returns the local government that the taxpayer's sales tax goes to. If a taxpayer applies for business license in your city but SORT returns a different location, the sales tax is not going to your city. In that case, please contact the Distribution group of the Tax Commission to submit a correction and/or redistribution request.

Distribution Group Contact Information:

Cai-Peng Guan

cconway1@utah.gov

(801) 297-3836

# SALES ONLINE RESEARCH TOOL (SORT)

## Sales Online Research Tool

Enter your search parameters in one or more of the fields below and click search.  
Partial search parameters are allowed. For more accurate results, enter multiple parameters.  
To search by 'Account ID' please enter the entire STC ID number (e.g. 99999999-999-STC).

For example, the value 'Lew' in the DBA NAME field would return 'Lew's Pizza'.

### Search Parameters

Location Code

Account ID

Outlet Name

DBA Name

OSBR Number

Legacy ID

Street Address

City

Zip

NAICS



# TRANSIENT ROOM

---

- What is considered transient room?
- How is the tax rate established?

Sales tax rates vary for each community. The rate consists of many smaller sales taxes which are imposed by each community and the state.

# TRANSIENT ROOM

---

Transient room tax (TRT) can be imposed by a county, city or town to rent temporary lodging for stays of less than 30 consecutive days

---

Hotels

Motels

Inns

Trailer courts

Campgrounds

Tourist homes



# TRANSIENT ROOM RATE

---

- All transient room accounts must have a sales and use tax and transient room tax account. Exception: unless contracted with a marketplace facilitator.
- Each sale must be the combination of the local sales and use tax rate and the transient room rate.
- Term “Combined” rate is made up of these two taxes together. Charged to the taxpayer.
- Returns are due at the same time.

# TRANSIENT ROOM RATE

---

The transient room tax may be made up of several different taxes;

- County-wide Tax
- State Transient Room Tax
- Municipal Transient Room Tax
- Tourism Transient Room Tax
- MIDA Accommodations Tax

Each municipality decides what tax to impose within it's boundaries.

Once adopted, you can not choose which taxes are going to charge. The combined tax rate must be charged to the customer.

## TRT is collected **in addition** to Sales and Use Tax

### Moab TRT Rate

- 4.85% State Sales & Use Tax
- 1.00% Local Sales & Use Tax
- 0.25% County Option Sales Tax
- 1.05% Transit and Highway (Mass Transit, Add'l Mass Transit, County Option Transportation, Transportation Infrastructure Tax)
- 0.10% Arts & Zoo
- 1.50% Impacted Comm. (Resort Community, Includes Add'l Resort Tax)

**8.75% Combined Sales and Use Tax Rate**

6.07% Transient Room Tax (hotel room)

**14.82% Total Charged to Customer**

		UTAH CODE TITLE 59, CHAPTER 12 SALES & USE TAX ACT OTHER SALES TAX RATES AND FEES						
		In addition to combined sales and use tax Rates In effect as of April 1, 2021						
		<b>Please see instructions below</b>						
Location	Coc	Cnty/ City	Transient Room					Combined Trans Rate
			TR	SR	TM	TT	MD	
Grand County	10-000		4.25%	0.32%				4.57%
Castle Valley	10-005		4.25%	0.32%				4.57%
Moab	10-011		4.25%	0.32%	1.50%			6.07%

# TRANSIENT ROOM

---

## **Marketplace Facilitators**

A marketplace owner, operator or controller who both facilitates sales and collects payments through the marketplace.

In addition to sales tax, facilitators are responsible for collecting all sales-related taxes (transient room, tourism, motor vehicle rental and municipal telecommunications license taxes). A facilitator's books and records must separately show their own sales and the sales they facilitate.





# TRANSIENT ROOM

---

Airbnb, Expedia, VRBO, and Priceline are some the largest Marketplace Facilitators.

\*Hip camp is not a marketplace facilitator.

It is the responsibility of the owner to verify if the entity they are contracting with is a marketplace facilitator. If all transient room sales are booked through a marketplace facilitator, the owner does not need to have a separate sales and use and transient room tax account.

However, if they owner decides to discontinue services from a marketplace facilitator, the owner must apply for these tax accounts to collect and remit TRT.



# TRANSIENT ROOM

---

The biggest complaint to the Tax Commission on transient room is owners have rentals and the municipality is not getting paid for it.

Resolution:

- Require all businesses to be licensed within their jurisdiction even if there is no fee for a license.
- Have code enforcement follow up on these businesses.
- Adopt ordinances authorizing enforcement and compliance.

If the Tax Commission does not get paid, the municipality does not get paid.



# TIDBITS FROM JANETTE

---

SODA

Misc. Items

Questions



# Utah!

 tax.utah.gov

**Publication 56**  
Revised 5/20

This publication is provided for general guidance only. It does not contain all sales or use tax laws or rules.

## **Sales Tax Information for Lodging Providers**



Utah State Tax Commission  
210 North 1950 West  
Salt Lake City, Utah 84134  
801-297-2200  
1-800-662-4335  
tax.utah.gov

*If you need an accommodation under the Americans with Disabilities Act, email [taxada.utah.gov](mailto:taxada.utah.gov), or call 801-297-3811, or TDD 801-297-2020. Please allow three working days for a response.*

For more information on lodging and marketplace facilitators see our publications at

<https://tax.utah.gov/forms-pubs/pubs>

# Utah!

 tax.utah.gov

**Publication 71**  
Revised 9/21

This publication is provided for general guidance only. It does not contain all sales or use tax laws or rules.

## **Sales and Use Tax Information for Marketplace Sellers and Marketplace Facilitators**



*If you need an accommodation under the Americans with Disabilities Act, email [taxada@utah.gov](mailto:taxada@utah.gov), or call 801-297-3811 or TDD 801-297-2020. Please allow three working days for a response.*

# FOOD TRUCKS

---

- State statute requires the license to be sourced to the location of where the food truck is parked.
- Municipalities get paid based on the tax filings by food truck owners.
- Essentially a good faith on properly reporting jurisdictions of their events.

# FOOD TRUCKS – STATE LAW

---

- The 2020 Legislative session passed HB 146 (Local Licensing Amendments)
  - §11-56-103 [le.utah.gov](http://le.utah.gov)
- Defines licensing requirements for a political subdivision (Municipalities)

## **11-56-103. Licensing -- Reciprocity -- Fees.**

- (1) (a) Subject to the provisions of this chapter, a political subdivision may require a food truck business to obtain a business license if the food truck business does not hold a current business license in good standing from another political subdivision in the state.
- (b) A political subdivision may only charge a licensing fee to a food truck business in an amount that reimburses the political subdivision for the actual cost of processing the business license.

# FOOD TRUCKS – STATE LAW

---

**(2) A political subdivision may not:**

(a) require a food truck business to:

(i) obtain a separate business license beyond the initial business license described in Subsection (1)(a);

(ii) pay a fee other than the fee for the initial business license described in Subsection (1); or

(iii) pay a fee for each employee the food truck business employs;

(b) as a condition of a food truck business obtaining a business license under Subsection (1):

(i) require a food truck operator or food truck vendor to submit to or offer evidence of a criminal background check, except as provided in Subsection (5); or

(ii) require a food truck operator to demonstrate how the operation of the food truck business will comply with a land use or zoning ordinance at the time the food truck business applies for the business license; or

# FOOD TRUCKS – STATE LAW

---

(c) regulate or restrict the size of a food truck operated by a food truck business.

(3) (a) A political subdivision shall recognize as valid within the political subdivision the business license of a food truck business obtained in another political subdivision within the state, if the business license is current and in good standing.

(b) Notwithstanding Subsection (3)(a), **a political subdivision is not required to** recognize as valid the business license of a food truck business issued in another political subdivision within the state if the food truck business does not have the following for each food truck that the food truck business operates:

Download the full bill at [le.utah.gov](http://le.utah.gov)



# SPECIAL EVENTS

---

A one-time event, or an event that runs for 6 months or less held at a location other than a seller's usual place of business.

Special Events fall under a variety of situations including:

- Sporting events
- State and County fairs
- Festivals
- Antique shows
- Gun shows
- Food shows
- Art shows
- Auctions
- Auctions
- Swap meets
- Conventions
- Hobby shows
- Concerts
- Seasonal stands in malls
- Farmers Markets
- Other similar events

# SPECIAL EVENTS

---

- A Seller participating in a special event(s) is required to obtain a Temporary Sales Tax License and Special Return. **The tax rate charged is calculated at the tax rate where the event is being held.**
- Tax collected at the event is reported and remitted on the temporary license.
- If a seller has a permanent Sales and Use Tax license, they still must obtain a Special Event License and return for each event they participate in.
- To prevent double payment of tax, a seller would report all sales tax paid at a special event on their Sales Tax return. [Form TC-62, line 6.](#)

**Seller must file a temporary license/return and remit full payment either the last day of the event or within 10 days after the event closes.**



# SPECIAL EVENTS

---

Questions for Special Events call:

801-297-6303 or 800-662-4335 ext. 6303

If a seller who ONLY has sales at a special event, they are not required to have a permanent Sales Tax license.

- **Exception:** If they wish to purchase tax free materials or products intended for resale at the special event, they will need a permanent Sales Tax License.

[tax.utah.gov/sales/specialevents](https://tax.utah.gov/sales/specialevents)



# CONTACTS

---

Janette Woodhouse  
Transient Room tax specialist.

Janette Woodhouse  
801-419-3523  
[jwoodhouse@utah.gov](mailto:jwoodhouse@utah.gov)

\*You may be asked to complete a Local Government  
Sales Tax Data Request (TC-62LG) to obtain information.

Customer Service 801-297-2200  
Email [taxmaster@utah.gov](mailto:taxmaster@utah.gov)

Special Events 801-297-6303

Tax Commission Website [tax.utah.gov](http://tax.utah.gov)

