

**House Revenue and Taxation Committee**  
January 27th, 2025

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**Bill: SB 13 – Property Tax Reimbursement Amendments**

Sponsor: Senator Lincoln Fillmore

Floor Sponsor: Representative Joseph Ellison

**UASD Position: Tracking**

This Bill provides for reimbursement of property taxes.

Discussion: Senator Fillmore presented the Bill by explaining that businesses currently pay personal property taxes on the equipment they own. While the Constitution provides some exemptions for property tax, such as for inventory. These exemptions do not apply to leased heavy equipment. SB 13 allows these types of rental businesses to charge a recovery fee for reimbursement of property taxes. The Bill exempts the recovery fee from sales tax. The renter would not pay sales tax on the recovery fee. Governmental entities are exempted from paying this recovery fee.

Representative Strong asked if the Bill eliminates sales tax on purchases entirely. The sponsor clarified that it only applies to the property tax portion (recovery fee) of the sales tax. Representative Christofferson asked if the Bill reduces the personal property tax paid by those leasing the equipment. Senator Fillmore explained that it does not reduce the tax amount but allows businesses to pass the property tax fee on to their customers. Representative Nguyen inquired whether businesses could currently charge this fee and whether stakeholders supported the Bill. The sponsor said that businesses currently cannot charge this fee and that he had support from the impacted stakeholders he has spoken with regarding the legislation. There was no discussion from the public.

Yeas: 10

Nays: 0

N/V: 1

**Outcome: SB 13 passed out of the Committee with a favorable recommendation.**