

- 33 ~~[(c)]~~ (d) "Natural gas" includes compressed natural gas and liquefied natural gas.
- 34 ~~[(d)]~~ (e) "Qualified heavy duty vehicle" means a heavy duty vehicle that:
- 35 (i) has never been titled or registered and has been driven less than 7,500 miles; and
- 36 (ii) is fueled by natural gas.
- 37 ~~[(e)]~~ (f) "Qualified purchase" means the purchase of a qualified heavy duty vehicle.
- 38 ~~[(f)]~~ (g) "Qualified taxpayer" means a taxpayer ~~[who]~~ that:
- 39 (i) purchases a qualified heavy duty vehicle; and
- 40 (ii) receives a tax credit certificate from the ~~[board]~~ director.
- 41 ~~[(g)]~~ (h) "Small fleet" means 40 or fewer heavy duty vehicles registered in the state and
- 42 owned by a single taxpayer.
- 43 ~~[(h)]~~ (i) "Tax credit certificate" means a certificate issued by the ~~[board]~~ director
- 44 certifying that a taxpayer is entitled to a tax credit as provided in this section and stating the
- 45 amount of the tax credit.
- 46 (2) ~~[For a taxable year beginning on or after January 1, 2015, a]~~ A qualified taxpayer
- 47 may claim a nonrefundable tax credit against tax otherwise due under this chapter or Chapter 8,
- 48 Gross Receipts Tax on Certain Corporations Not Required to Pay Corporate Franchise or
- 49 Income Tax Act:
- 50 (a) in an amount equal to:
- 51 (i) \$25,000, if the qualified purchase occurs during calendar year 2015, calendar year
- 52 2016, or calendar year 2017;
- 53 (ii) \$20,000, if the qualified purchase occurs during calendar year 2018;
- 54 (iii) \$18,000, if the qualified purchase occurs during calendar year 2019; and
- 55 (iv) \$15,000, if the qualified purchase occurs during calendar year 2020; and
- 56 (b) if the qualified taxpayer certifies under oath that over 50% of the miles that the
- 57 heavy duty vehicle that is the subject of the qualified purchase will travel annually will be
- 58 within the state.
- 59 (3) (a) Except as provided in Subsection (3)(b), a taxpayer may not submit an
- 60 application for, and the ~~[board]~~ director may not issue to the taxpayer, a tax credit certificate
- 61 under this section in any taxable year for a ~~[qualifying]~~ qualified purchase if the ~~[board]~~
- 62 director has already issued tax credit certificates to the taxpayer for 10 ~~[qualifying]~~ qualified
- 63 purchases in the same taxable year.

64 (b) If, by May 1 of any year, more than 30% of the aggregate annual total amount of
65 tax credits under Subsection (5) has not been claimed, a taxpayer may submit an application
66 for, and the [board] director may issue to the taxpayer, one or more tax credit certificates for up
67 to eight additional [qualifying] qualified purchases, even if the [board] director has already
68 issued to that taxpayer tax credit certificates for the maximum number of [qualifying] qualified
69 purchases allowed under Subsection (3)(a).

70 (4) (a) Subject to Subsection (4)(b), the [board] director shall reserve 25% of all tax
71 credits available under this section for qualified taxpayers with a small fleet.

72 (b) Subsection (4)(a) does not prevent a taxpayer from submitting an application for, or
73 the [board] director from issuing, a tax credit certificate if [the], before October 1, qualified
74 taxpayers with a small fleet have not reserved under Subsection (5)(b) tax credits for the full
75 amount reserved under Subsection (4)(a) [for taxpayers with a small fleet has not been claimed
76 by a date that is 90 days before the end of the year].

77 (5) (a) The aggregate annual total amount of tax credits represented by tax credit
78 certificates that the [board] director issues under this section[~~-, when combined with the~~
79 ~~aggregate annual total amount of tax credits represented by tax credit certificates that the board~~
80 ~~issues under] and Section 59-10-1033[~~;~~] may not exceed \$500,000.~~

81 (b) The board shall, in accordance with Title 63G, Chapter 3, Utah Administrative
82 Rulemaking Act, make rules to establish a process [~~whereby~~] under which a taxpayer may
83 reserve a potential tax credit under this section for a limited time to allow the taxpayer to make
84 a [qualifying] qualified purchase with the assurance that the aggregate limit under Subsection
85 (5)(a) will not be met before the taxpayer is able to submit an application for a tax credit
86 certificate.

87 (6) (a) (i) A taxpayer wishing to claim a tax credit under this section shall, using forms
88 the board requires by rule:

89 (A) submit to the [board] director an application for a tax credit;

90 (B) provide the [board] director proof of a [qualifying] qualified purchase; and

91 (C) submit to the [board] director the certification under oath required under
92 Subsection (2)(b).

93 (ii) Upon receiving the application, proof, and certification required under Subsection
94 (6)(a)(i), the [board] director shall provide the taxpayer a written statement from the [board]

95 director acknowledging receipt of the proof.

96 (b) If the [~~board~~] director determines that a taxpayer qualifies for a tax credit under this
97 section, the [~~board~~] director shall:

98 (i) determine the amount of tax credit the taxpayer is allowed under this section; and

99 (ii) provide the [~~qualifying~~] taxpayer with a written tax credit certificate:

100 (A) stating that the taxpayer has qualified for a tax credit; and

101 (B) showing the amount of tax credit for which the taxpayer has qualified under this
102 section.

103 (c) A qualified taxpayer shall retain the tax credit certificate.

104 (d) The [~~board~~] director shall at least annually submit to the commission a list of all
105 qualified taxpayers to [~~whom the board~~] which the director has issued a tax credit certificate
106 and the amount of each tax credit represented by the tax credit certificates.

107 (7) The tax credit under this section is allowed only:

108 (a) against a tax owed under this chapter or Chapter 8, Gross Receipts Tax on Certain
109 Corporations Not Required to Pay Corporate Franchise or Income Tax Act, in the taxable year
110 by the qualified taxpayer;

111 (b) for the taxable year in which the [~~qualifying~~] qualified purchase occurs; and

112 (c) once per vehicle.

113 (8) A [~~qualifying~~] qualified taxpayer may not assign a tax credit or a tax credit
114 certificate under this section to another person.

115 (9) If the [~~amount of~~] qualified taxpayer receives a tax credit [~~claimed by a qualifying~~
116 taxpayer] certificate under this section that allows a tax credit in an amount that exceeds the
117 [~~qualifying~~] qualified taxpayer's tax liability under this chapter or Chapter 8, Gross Receipts
118 Tax on Certain Corporations Not Required to Pay Corporate Franchise or Income Tax Act, for
119 a taxable year, the qualified taxpayer may carry forward the amount of the tax credit
120 [~~exceeding~~] that exceeds the tax liability [~~may be carried forward~~] for a period that does not
121 exceed the next five taxable years.

122 (10) (a) In accordance with any rules prescribed by the commission under Subsection
123 (10)(b), the Division of Finance shall transfer at least annually from the General Fund into the
124 Education Fund the aggregate amount of all tax credits claimed under this section.

125 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

126 commission may make rules for making a transfer from the General Fund into the Education
127 Fund as required by Subsection (10)(a).

128 Section 2. Section **59-10-1033** is amended to read:

129 **59-10-1033. Tax credit related to natural gas heavy duty vehicles.**

130 (1) As used in this section:

131 (a) "Board" means the Air Quality Board created under Title 19, Chapter 2, Air
132 Conservation Act.

133 (b) "Director" means the director of the Division of Air Quality appointed under
134 Section 19-2-107.

135 ~~[(b)]~~ (c) "Heavy duty vehicle" means a commercial category 7 or 8 vehicle, according
136 to vehicle classifications established by the Federal Highway Administration.

137 ~~[(c)]~~ (d) "Natural gas" includes compressed natural gas and liquified natural gas.

138 ~~[(d)]~~ (e) "Qualified heavy duty vehicle" means a heavy duty vehicle that:

139 (i) has never been titled or registered and has been driven less than 7,500 miles; and

140 (ii) is fueled by natural gas~~[-and]~~.

141 ~~[(iii) meets air quality standards.]~~

142 ~~[(e)]~~ (f) "Qualified purchase" means the purchase of a qualified heavy duty vehicle.

143 ~~[(f)]~~ (g) "Qualified taxpayer" means a claimant, estate, or trust that:

144 (i) purchases a qualified heavy duty vehicle; and

145 (ii) receives a tax credit certificate from the ~~[board]~~ director.

146 ~~[(g)]~~ (h) "Small fleet" means 40 or fewer heavy duty vehicles registered in the state and
147 owned by a single claimant, estate, or trust.

148 ~~[(h)]~~ (i) "Tax credit certificate" means a certificate issued by the ~~[board]~~ director
149 certifying that a claimant, estate, or trust is entitled to a tax credit as provided in this section
150 and stating the amount of the tax credit.

151 (2) ~~[For a taxable year beginning on or after January 1, 2015, a]~~ A qualified taxpayer
152 may claim a nonrefundable tax credit against tax otherwise due under this chapter:

153 (a) in an amount equal to:

154 (i) \$25,000, if the qualified purchase occurs during calendar year 2015, calendar year
155 2016, or calendar year 2017;

156 (ii) \$20,000, if the qualified purchase occurs during calendar year 2018;

157 (iii) \$18,000, if the qualified purchase occurs during calendar year 2019; and
 158 (iv) \$15,000, if the qualified purchase occurs during calendar year 2020; and
 159 (b) if the ~~[claimant, estate, or trust]~~ qualified taxpayer certifies under oath that over
 160 50% of the miles that the heavy duty vehicle that is the subject of the qualified purchase ~~[or~~
 161 ~~qualified conversion]~~ will travel annually will be within the state.

162 (3) (a) Except as provided in Subsection (3)(b), a claimant, estate, or trust may not
 163 submit an application for, and the ~~[board]~~ director may not issue to the claimant, estate, or
 164 trust, a tax credit certificate under this section in any taxable year for a ~~[qualifying]~~ qualified
 165 purchase if the ~~[board]~~ director has already issued tax credit certificates to the claimant, estate,
 166 or trust for 10 ~~[tax credits for qualifying]~~ qualified purchases in the same taxable year.

167 (b) If, by May 1 of any year, more than 30% of the aggregate annual total amount of
 168 tax credits under Subsection (5) has not been claimed, a claimant, estate, or trust may submit
 169 an application for, and the ~~[board]~~ director may issue to the claimant, estate, or trust, one or
 170 more tax credit certificates for up to eight additional ~~[qualifying]~~ qualified purchases, even if
 171 the ~~[board]~~ director has already issued to that claimant, estate, or trust tax credit certificates for
 172 the maximum number of ~~[qualifying]~~ qualified purchases allowed under Subsection (3)(a).

173 (4) (a) Subject to Subsection (4)(b), the ~~[board]~~ director shall reserve 25% of all tax
 174 credits available under this section for ~~[claimants, estates, or trusts]~~ qualified taxpayers with a
 175 small fleet.

176 (b) Subsection (4)(a) does not prevent a claimant, estate, or trust from submitting an
 177 application for, or the ~~[board]~~ director from issuing, a tax credit certificate if ~~[the], before~~
 178 October 1, qualified taxpayers with a small fleet have not reserved under Subsection (5)(b) tax
 179 credits for the full amount reserved under Subsection (4)(a) ~~[for claimants, estates, or trusts~~
 180 ~~with a small fleet has not been claimed by a date that is 90 days before the end of the year].~~

181 (5) (a) The aggregate annual total amount of tax credits represented by tax credit
 182 certificates that the ~~[board]~~ director issues under this section~~[- when combined with the~~
 183 ~~aggregate annual total amount of tax credits represented by tax credit certificates that the board~~
 184 ~~issues under]~~ and Section 59-7-618~~[-]~~ may not exceed \$500,000.

185 (b) The board shall, in accordance with Title 63G, Chapter 3, Utah Administrative
 186 Rulemaking Act, make rules to establish a process ~~[whereby a taxpayer]~~ under which a
 187 claimant, estate, or trust may reserve a potential tax credit under this section for a limited time

188 to allow the [~~taxpayer~~] claimant, estate, or trust to make a [~~qualifying~~] qualified purchase with
189 the assurance that the aggregate limit under Subsection (5)(a) will not be met before the
190 [~~taxpayer~~] claimant, estate, or trust is able to submit an application for a tax credit certificate.

191 (6) (a) (i) A claimant, estate, or trust wishing to claim a tax credit under this section
192 shall, using forms the board requires by rule:

193 (A) submit to the [~~board~~] director an application for a tax credit;

194 (B) provide the [~~board~~] director proof of a [~~qualifying~~] qualified purchase [~~or~~
195 ~~qualifying conversion~~]; and

196 (C) submit to the [~~board~~] director the certification under oath required under
197 Subsection (2)(b).

198 (ii) Upon receiving the application, proof, and certification required under Subsection
199 (6)(a)(i), the [~~board~~] director shall provide the claimant, estate, or trust a written statement
200 from the [~~board~~] director acknowledging receipt of the proof.

201 (b) If the [~~board~~] director determines that a claimant, estate, or trust qualifies for a tax
202 credit under this section, the [~~board~~] director shall:

203 (i) determine the amount of tax credit the claimant, estate, or trust is allowed under this
204 section; and

205 (ii) provide the [~~qualifying taxpayer~~] claimant, estate, or trust with a written tax credit
206 certificate:

207 (A) stating that the claimant, estate, or trust has qualified for a tax credit; and

208 (B) showing the amount of tax credit for which the claimant, estate, or trust has
209 qualified under this section.

210 (c) A [~~claimant, estate, or trust~~] qualified taxpayer shall retain the tax credit certificate.

211 (d) The [~~board~~] director shall at least annually submit to the commission a list of all
212 [~~claimants, estates, and trusts~~] qualified taxpayers to which the [~~board~~] director has issued a tax
213 credit certificate and the amount of each tax credit represented by the tax credit certificates.

214 (7) The tax credit under this section is allowed only:

215 (a) against a tax owed under this chapter in the taxable year by the qualified taxpayer;

216 (b) for the taxable year in which the [~~qualifying~~] qualified purchase occurs; and

217 (c) once per vehicle.

218 (8) A [~~qualifying~~] qualified taxpayer may not assign a tax credit or a tax credit

219 certificate under this section to another person.

220 (9) If the [~~amount of~~] qualified taxpayer receives a tax credit [~~claimed by a qualifying~~
221 ~~taxpayer~~] certificate under this section that allows a tax credit in an amount that exceeds the
222 [~~qualifying~~] qualified taxpayer's tax liability under this chapter for a taxable year, the qualified
223 taxpayer may carry forward the amount of the tax credit [~~exceeding~~] that exceeds the tax
224 liability [~~may be carried forward~~] for a period that does not exceed the next five taxable years.

225 (10) (a) In accordance with any rules prescribed by the commission under Subsection
226 (10)(b), the Division of Finance shall transfer at least annually from the General Fund into the
227 Education Fund the aggregate amount of all tax credits claimed under this section.

228 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
229 commission may make rules for making a transfer from the General Fund into the Education
230 Fund as required by Subsection (10)(a).

231 Section 3. **Retrospective operation.**

232 This bill has retrospective operation for a taxable year beginning on or after January 1,
233 2017.