

Senator Kevin T. Van Tassell proposes the following substitute bill:

**CLEANER BURNING FUELS TAX CREDITS AMENDMENTS
AND RELATED FUNDING**

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jack R. Draxler

Senate Sponsor: Kevin T. Van Tassell

LONG TITLE

General Description:

This bill amends corporate and individual income tax credits for cleaner burning fuels and provides for transfers from the General Fund into the Education Fund in the amount by which the tax credit claimed exceeds \$500,000.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ modifies eligibility requirements to claim tax credits for cleaner burning fuels;
- ▶ extends corporate and individual income tax credits for cleaner burning fuels until the end of taxable year ~~§→ [2019]~~ 2014 ~~←§~~ ;
- ▶ requires transfers from the General Fund into the Education Fund in the amount by which the tax credit claimed exceeds \$500,000;
- ▶ grants rulemaking authority to the State Tax Commission; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:



119 Agency or by a state that has certification standards recognized by the board; or

120 (B) any other test or standard recognized by board rule, made in accordance with Title
 121 63G, Chapter 3, Utah Administrative Rulemaking Act.

122 (j) "Special mobile equipment":

123 (i) means any mobile equipment or vehicle that is not designed or used primarily for
 124 the transportation of persons or property; and

125 (ii) includes construction or maintenance equipment.

126 (2) For ~~the~~ taxable ~~years~~ year ~~beginning on or after January 1, [2009]~~
 126a 2014, but beginning on or

127 before December 31, ~~[2013]~~ ~~2014~~ 2014, a taxpayer may claim a tax credit against tax
 127a otherwise due

128 under this chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to
 129 Pay Corporate Franchise or Income Tax Act, in an amount equal to:

130 (a) \$605 for the original purchase of a new qualifying electric or hybrid vehicle that is
 131 ~~[not fueled by compressed natural gas if the vehicle is]~~ registered in ~~[Utah and meets air quality~~
 132 ~~standards and fuel economy standards]~~ this state;

133 (b) for the purchase of a vehicle fueled by ~~[compressed]~~ natural gas that is registered in
 134 ~~[Utah]~~ this state, the lesser of:

135 (i) \$2,500; or

136 (ii) 35% of the purchase price of the vehicle;

137 (c) 50% of the cost of equipment for conversion, if certified by the board, of a motor
 138 vehicle registered in ~~[Utah]~~ this state minus the amount of any clean fuel grant received, up to a
 139 maximum tax credit of \$2,500 per motor vehicle, if the motor vehicle is to:

140 (i) be fueled by propane, natural gas, or electricity;

141 (ii) be fueled by other fuel the board determines annually on or before July 1 to be at
 142 least as effective in reducing air pollution as fuels under Subsection (2)(c)(i); or

143 (iii) meet the federal clean-fuel vehicle standards in the federal Clean Air Act
 144 Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.; and

145 (d) 50% of the cost of equipment for conversion, if certified by the board, of a special
 146 mobile equipment engine minus the amount of any clean fuel grant received, up to a maximum
 147 tax credit of \$1,000 per special mobile equipment engine, if the special mobile equipment is to
 148 be fueled by:

149 (i) propane, natural gas, or electricity; or

274 transportation of persons or property; and

275 (ii) includes construction or maintenance equipment.

276 (2) For ~~§~~ the ~~§~~ taxable ~~§~~ [years] year ~~§~~ beginning on or after January 1, ~~[2009]~~

276a 2014, but beginning on or

277 before December 31, ~~[2013]~~ ~~§~~ [2019] 2014 ~~§~~, a claimant, estate, or trust may claim a

277a nonrefundable tax

278 credit against tax otherwise due under this chapter in an amount equal to:

279 (a) \$605 for the original purchase of a new qualifying electric or hybrid vehicle that is
280 ~~[not fueled by compressed natural gas if the vehicle is]~~ registered in ~~[Utah and meets air quality~~
281 ~~standards and fuel economy standards]~~ this state;

282 (b) for the purchase of a vehicle fueled by ~~[compressed]~~ natural gas that is registered in
283 ~~[Utah]~~ this state, the lesser of:

284 (i) \$2,500; or

285 (ii) 35% of the purchase price of the vehicle;

286 (c) 50% of the cost of equipment for conversion, if certified by the board, of a motor
287 vehicle registered in ~~[Utah]~~ this state minus the amount of any clean fuel conversion grant
288 received, up to a maximum tax credit of \$2,500 per vehicle, if the motor vehicle:

289 (i) is to be fueled by propane, natural gas, or electricity;

290 (ii) is to be fueled by other fuel the board determines annually on or before July 1 to be
291 at least as effective in reducing air pollution as fuels under Subsection (2)(c)(i); or

292 (iii) will meet the federal clean fuel vehicle standards in the federal Clean Air Act
293 Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.; and

294 (d) 50% of the cost of equipment for conversion, if certified by the board, of a special
295 mobile equipment engine minus the amount of any clean fuel conversion grant received, up to a
296 maximum tax credit of \$1,000 per special mobile equipment engine, if the special mobile
297 equipment is to be fueled by:

298 (i) propane, natural gas, or electricity; or

299 (ii) other fuel the board determines annually on or before July 1 to be:

300 (A) at least as effective in reducing air pollution as the fuels under Subsection (2)(d)(i);

301 or

302 (B) substantially more effective in reducing air pollution than the fuel for which the
303 engine was originally designed.

304 (3) A claimant, estate, or trust shall provide proof of the purchase of an item for which