

TAX ISSUES AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Steve Eliason

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill addresses tax issues.

Highlighted Provisions:

This bill:

- ▶ clarifies from which fund payments for certain tax credits should be paid;
- ▶ addresses the circumstances for which a transfer is made from the General Fund into the Education Fund for tax credits related to energy efficient vehicles;
- ▶ addresses payment transfers for various tax credits and refunds; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

59-2-1208, as last amended by Laws of Utah 2009, Chapter 302

59-2-1209, as last amended by Laws of Utah 2009, Chapter 302

59-7-605, as last amended by Laws of Utah 2015, Chapters 381 and 439

59-7-614.1, as last amended by Laws of Utah 2008, Chapter 382

59-7-618, as enacted by Laws of Utah 2015, Chapter 467



28 **59-10-1005**, as last amended by Laws of Utah 2007, Chapter 122
 29 **59-10-1009**, as last amended by Laws of Utah 2015, Chapters 381 and 439
 30 **59-10-1033**, as enacted by Laws of Utah 2015, Chapter 467
 31 **59-10-1105**, as last amended by Laws of Utah 2008, Chapter 382
 32 **59-13-202**, as last amended by Laws of Utah 2006, Chapter 223

34 *Be it enacted by the Legislature of the state of Utah:*

35 Section 1. Section **59-2-1208** is amended to read:

36 **59-2-1208. Amount of homeowner's credit -- Cost-of-living adjustment --**
 37 **Limitation -- General Fund as source of credit -- Dependent credit.**

38 (1) (a) Subject to Subsections (2) and (4), for a calendar [years] year beginning on or
 39 after January 1, 2007, a claimant may claim a homeowner's credit that does not exceed the
 40 following amounts:

41	If household income is	Homeowner's credit
42	\$0 -- \$9,159	\$798
43	\$9,160 -- \$12,214	\$696
44	\$12,215 -- \$15,266	\$597
45	\$15,267 -- \$18,319	\$447
46	\$18,320 -- \$21,374	\$348
47	\$21,375 -- \$24,246	\$199
48	\$24,247 -- \$26,941	\$98

49 (b) (i) For a calendar [years] year beginning on or after January 1, 2008, the
 50 commission shall increase or decrease the household income eligibility amounts and the credits
 51 under Subsection (1)(a) by a percentage equal to the percentage difference between the
 52 consumer price index for the preceding calendar year and the consumer price index for
 53 calendar year 2006.

54 (ii) For purposes of Subsection (1)(b)(i), the commission shall calculate the consumer
 55 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

56 (2) An individual who is claimed as a personal exemption on another individual's
 57 individual income tax return during any portion of a calendar year for which the individual

58 seeks to claim a homeowner's credit under this section may not receive the homeowner's credit.

59 (3) ~~[The]~~ A payment for a homeowner's credit allowed by this section, and provided for
 60 in Section ~~59-2-1204~~, shall be ~~[derived]~~ paid from the General Fund ~~[and appropriate transfers~~
 61 ~~made to effectuate this credit]~~.

62 ~~[(4)(a) Subject to Subsection (4)(b), for purposes of calculating a claimant's household~~
 63 ~~income to determine the amount of the claimant's homeowner's credit under Subsection (1), for~~
 64 ~~the taxable year that begins on January 1, 2009 and ends on December 31, 2009, a claimant's~~
 65 ~~household income shall be decreased by \$1,000 for a dependent with respect to whom a~~
 66 ~~claimant is eligible to make a deduction as allowed as a personal exemption deduction on the~~
 67 ~~claimant's federal individual income tax return for the taxable year for which the household~~
 68 ~~income is calculated.]~~

69 ~~[(b) For purposes of Subsection (4)(a):]~~

70 ~~[(i) the maximum amount a claimant's household income may be decreased is \$1,000;~~
 71 ~~and]~~

72 ~~[(ii) "dependent" does not include the claimant or the claimant's spouse.]~~

73 Section 2. Section ~~59-2-1209~~ is amended to read:

74 **59-2-1209. Amount of renter's credit -- Cost-of-living adjustment -- Limitation --**
 75 **General Fund as source of credit -- Maximum credit -- Renter's credit may be claimed**
 76 **only for rent that does not constitute a rental assistance payment -- Dependent credit.**

77 (1) (a) Subject to Subsections (2), (3), and (6), for a calendar ~~[years]~~ year beginning on
 78 or after January 1, 2007, a claimant may claim a renter's credit for the previous calendar year
 79 that does not exceed the following amounts:

80	If household income is	Percentage of rent allowed as a credit
81	\$0 -- \$9,159	9.5%
82	\$9,160 -- \$12,214	8.5%
83	\$12,215 -- \$15,266	7.0%
84	\$15,267 -- \$18,319	5.5%
85	\$18,320 -- \$21,374	4.0%
86	\$21,375 -- \$24,246	3.0%
87	\$24,247 -- \$26,941	2.5%

88 (b) (i) For a calendar ~~[years]~~ year beginning on or after January 1, 2008, the
 89 commission shall increase or decrease the household income eligibility amounts under
 90 Subsection (1)(a) by a percentage equal to the percentage difference between the consumer

91 price index for the preceding calendar year and the consumer price index for calendar year
92 2006.

93 (ii) For purposes of Subsection (1)(b)(i), the commission shall calculate the consumer
94 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

95 (2) A claimant may claim a renter's credit under this part only for rent that does not
96 constitute a rental assistance payment.

97 (3) An individual who is claimed as a personal exemption on another individual's
98 individual income tax return during any portion of a calendar year for which the individual
99 seeks to claim a renter's credit under this section may not receive a renter's credit.

100 (4) ~~[The]~~ A payment for a renter's credit allowed by this section, and provided for in
101 Section 59-2-1204, shall be ~~[derived]~~ paid from the General Fund ~~[and appropriate transfers~~
102 ~~made to effectuate this credit]~~.

103 (5) For calendar years beginning on or after January 1, 2007, a credit under this section
104 may not exceed the maximum amount allowed as a homeowner's credit for each income
105 bracket under Subsection 59-2-1208(1)(a).

106 ~~[(6)(a) Subject to Subsection (6)(b), for purposes of calculating a claimant's household~~
107 ~~income to determine the amount of the claimant's renter's credit under Subsection (1), for the~~
108 ~~taxable year that begins on January 1, 2009 and ends on December 31, 2009, a claimant's~~
109 ~~household income shall be decreased by \$1,000 for a dependent with respect to whom a~~
110 ~~claimant is eligible to make a deduction as allowed as a personal exemption deduction on the~~
111 ~~claimant's federal individual income tax return for the taxable year for which the household~~
112 ~~income is calculated.]~~

113 ~~[(b) For purposes of Subsection (6)(a):]~~

114 ~~[(i) the maximum amount a claimant's household income may be decreased is \$1,000;~~
115 ~~and]~~

116 ~~[(ii) "dependent" does not include the claimant or the claimant's spouse.]~~

117 Section 3. Section 59-7-605 is amended to read:

118 **59-7-605. Definitions -- Tax credits related to energy efficient vehicles.**

119 (1) As used in this section:

120 (a) "Air quality standards" means that a vehicle's emissions are equal to or cleaner than
121 the standards established in bin 4 in Table S04-1, of 40 C.F.R. 86.1811-04(c)(6).

122 (b) "Board" means the Air Quality Board created under Title 19, Chapter 2, Air
123 Conservation Act.

124 (c) "Certified by the board" means that:

125 (i) a motor vehicle on which conversion equipment has been installed meets the
126 following criteria:

127 (A) before the installation of conversion equipment, the vehicle does not exceed the
128 emission cut points for a transient test driving cycle, as specified in 40 C.F.R. Part 51,
129 Appendix E to Subpart S, or an equivalent test for the make, model, and year of the vehicle;
130 and

131 (B) as a result of the installation of conversion equipment on the motor vehicle, the
132 motor vehicle has reduced emissions; or

133 (ii) special mobile equipment on which conversion equipment has been installed has
134 reduced emissions.

135 (d) "Clean fuel grant" means a grant awarded:

136 (i) under Title 19, Chapter 1, Part 4, Clean Fuels and Vehicle Technology Program
137 Act, for reimbursement of a portion of the incremental cost of an OEM vehicle or the cost of
138 conversion equipment; or

139 (ii) under Title 19, Chapter 2, Part 3, Conversion to Alternative Fuel Grant Program.

140 (e) "Conversion equipment" means equipment described in Subsection (2)(d) or (e).

141 (f) "OEM vehicle" [~~has~~] means the same [~~meaning~~] as that term is defined in Section
142 [19-1-402](#).

143 (g) "Original purchase" means the purchase of a vehicle that has never been titled or
144 registered and has been driven less than 7,500 miles.

145 (h) "Qualifying electric motorcycle" means a vehicle that:

146 (i) has a seat or saddle for the use of the rider;

147 (ii) is designed to travel with not more than three wheels in contact with the ground;

148 (iii) may lawfully be operated on a freeway, as defined in Section [41-6a-102](#);

149 (iv) is not fueled by natural gas;

- 150 (v) is fueled by electricity only; and
- 151 (vi) is an OEM vehicle except that the vehicle is fueled by a fuel described in
- 152 Subsection (1)(h)(v).
- 153 (i) "Qualifying electric vehicle" means a vehicle that:
- 154 (i) meets air quality standards;
- 155 (ii) is not fueled by natural gas;
- 156 (iii) is fueled by electricity only; and
- 157 (iv) is an OEM vehicle except that the vehicle is fueled by a fuel described in
- 158 Subsection (1)(i)(iii).
- 159 (j) "Qualifying plug-in hybrid vehicle" means a vehicle that:
- 160 (i) meets air quality standards;
- 161 (ii) is not fueled by natural gas or propane;
- 162 (iii) has a battery capacity that meets or exceeds the battery capacity described in
- 163 Section 30D(b)(3), Internal Revenue Code; and
- 164 (iv) is fueled by a combination of electricity and:
- 165 (A) diesel fuel;
- 166 (B) gasoline; or
- 167 (C) a mixture of gasoline and ethanol.
- 168 (k) "Reduced emissions" means:
- 169 (i) for purposes of a motor vehicle on which conversion equipment has been installed,
- 170 that the motor vehicle's emissions of regulated pollutants, when operating on a fuel listed in
- 171 Subsection (2)(e)(i) or (ii), is less than the emissions were before the installation of the
- 172 conversion equipment, as demonstrated by:
- 173 (A) certification of the conversion equipment by the federal Environmental Protection
- 174 Agency or by a state that has certification standards recognized by the board;
- 175 (B) testing the motor vehicle, before and after installation of the conversion equipment,
- 176 in accordance with 40 C.F.R. Part 86, Control of Emissions from New and In-use Highway
- 177 Vehicles and Engines, using all fuel the motor vehicle is capable of using;
- 178 (C) for a retrofit natural gas vehicle that is retrofit in accordance with Section
- 179 [19-1-406](#), testing that as a result of the retrofit, the retrofit natural gas vehicle satisfies the
- 180 emission standards applicable under Section [19-1-406](#); or

181 (D) any other test or standard recognized by board rule, made in accordance with Title
182 63G, Chapter 3, Utah Administrative Rulemaking Act; or

183 (ii) for purposes of special mobile equipment on which conversion equipment has been
184 installed, that the special mobile equipment's emissions of regulated pollutants, when operating
185 on a fuel listed in Subsection (2)(e)(i) or (ii), is less than the emissions were before the
186 installation of conversion equipment, as demonstrated by:

187 (A) certification of the conversion equipment by the federal Environmental Protection
188 Agency or by a state that has certification standards recognized by the board; or

189 (B) any other test or standard recognized by board rule, made in accordance with Title
190 63G, Chapter 3, Utah Administrative Rulemaking Act.

191 (l) "Special mobile equipment":

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

194 (ii) includes construction or maintenance equipment.

195 (2) For ~~the~~ a taxable ~~years~~ year beginning on or after January 1, 2015, but beginning
196 on or before December 31, 2016, a taxpayer may claim a tax credit against tax otherwise due
197 under this chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to
198 Pay Corporate Franchise or Income Tax Act, in an amount equal to:

199 (a) (i) for the original purchase of a new qualifying electric vehicle that is registered in
200 this state, the lesser of:

201 (A) \$1,500; or

202 (B) 35% of the purchase price of the vehicle; or

203 (ii) for the original purchase of a new qualifying plug-in hybrid vehicle that is
204 registered in this state, \$1,000;

205 (b) for the original purchase of a new vehicle fueled by natural gas or propane that is
206 registered in this state, the lesser of:

207 (i) \$1,500; or

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

209 (c) for the original purchase of a new qualifying electric motorcycle that is registered in
210 this state, the lesser of:

211 (i) \$750; or

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

213 (d) 50% of the cost of equipment for conversion, if certified by the board, of a motor
214 vehicle registered in this state minus the amount of any clean fuel grant received, up to a
215 maximum tax credit of \$1,500 per motor vehicle, if the motor vehicle is to:

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

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

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

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

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

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

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

228 or

229 (B) substantially more effective in reducing air pollution than the fuel for which the
230 engine was originally designed; and

231 (f) for a lease of a vehicle described in Subsection (2)(a), (b), or (c), an amount equal to
232 the product of:

233 (i) the amount of tax credit the taxpayer would otherwise qualify to claim under
234 Subsection (2)(a), (b), or (c) had the taxpayer purchased the vehicle, except that the purchase
235 price described in Subsection (2)(a)(i)(B), (2)(b)(ii), or (2)(c)(ii) is considered to be the value
236 of the vehicle at the beginning of the lease; and

237 (ii) a percentage calculated by:

238 (A) determining the difference between the value of the vehicle at the beginning of the
239 lease, as stated in the lease agreement, and the value of the vehicle at the end of the lease, as
240 stated in the lease agreement; and

241 (B) dividing the difference determined under Subsection (2)(f)(ii)(A) by the value of
242 the vehicle at the beginning of the lease, as stated in the lease agreement.

- 243 (3) (a) The board shall:
- 244 (i) determine the amount of tax credit a taxpayer is allowed under this section; and
- 245 (ii) provide the taxpayer with a written certification of the amount of tax credit the
- 246 taxpayer is allowed under this section.
- 247 (b) A taxpayer shall provide proof of the purchase or lease of an item for which a tax
- 248 credit is allowed under this section by:
- 249 (i) providing proof to the board in the form the board requires by rule;
- 250 (ii) receiving a written statement from the board acknowledging receipt of the proof;
- 251 and
- 252 (iii) retaining the written statement described in Subsection (3)(b)(ii).
- 253 (c) A taxpayer shall retain the written certification described in Subsection (3)(a)(ii).
- 254 (4) Except as provided by Subsection (5), the tax credit under this section is allowed
- 255 only:
- 256 (a) against a tax owed under this chapter or Chapter 8, Gross Receipts Tax on Certain
- 257 Corporations Not Required to Pay Corporate Franchise or Income Tax Act, in the taxable year
- 258 by the taxpayer;
- 259 (b) for the taxable year in which a vehicle described in Subsection (2)(a), (b), or (c) is
- 260 purchased, a vehicle described in Subsection (2)(f) is leased, or conversion equipment
- 261 described in Subsection (2)(d) or (e) is installed; and
- 262 (c) once per vehicle.
- 263 (5) A taxpayer may not assign a tax credit under this section to another person.
- 264 (6) If the amount of a tax credit claimed by a taxpayer under this section exceeds the
- 265 taxpayer's tax liability under this chapter or Chapter 8, Gross Receipts Tax on Certain
- 266 Corporations Not Required to Pay Corporate Franchise or Income Tax Act, for a taxable year,
- 267 the amount of the tax credit exceeding the tax liability may be carried forward for a period that
- 268 does not exceed the next five taxable years.
- 269 (7) In accordance with any rules prescribed by the commission under Subsection (8),
- 270 the ~~commission~~ Division of Finance shall transfer at least annually from the General Fund
- 271 into the Education Fund the amount by which the amount of tax credit claimed under this
- 272 section for a ~~taxable~~ fiscal year exceeds \$500,000.
- 273 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

274 commission may make rules for making a transfer from the General Fund into the Education
275 Fund as required by Subsection (7).

276 Section 4. Section **59-7-614.1** is amended to read:

277 **59-7-614.1. Refundable tax credit for hand tools used in farming operations --**
278 **Procedures for refund -- Transfers from General Fund to Education Fund -- Rulemaking**
279 **authority.**

280 (1) For a taxable [~~years~~] year beginning on or after January 1, 2004, a taxpayer may
281 claim a refundable tax credit:

282 (a) as provided in this section;

283 (b) against taxes otherwise due under this chapter; and

284 (c) in an amount equal to the amount of tax the taxpayer pays:

285 (i) on a purchase of a hand tool:

286 (A) if the purchase is made on or after July 1, 2004;

287 (B) if the hand tool is used or consumed primarily and directly in a farming operation
288 in the state; and

289 (C) if the unit purchase price of the hand tool is more than \$250; and

290 (ii) under Chapter 12, Sales and Use Tax Act, on the purchase described in Subsection
291 (1)(c)(i).

292 (2) A taxpayer:

293 (a) shall retain the following to establish the amount of tax the resident or nonresident
294 individual paid under Chapter 12, Sales and Use Tax Act, on the purchase described in
295 Subsection (1)(c)(i):

296 (i) a receipt;

297 (ii) an invoice; or

298 (iii) a document similar to a document described in Subsection (2)(a)(i) or (ii); and

299 (b) may not carry forward or carry back a tax credit under this section.

300 (3) (a) In accordance with any rules prescribed by the commission under Subsection
301 (3)(b)[~~;~~];

302 (i) the commission shall[~~-(i)~~] make a refund to a taxpayer that claims a tax credit under
303 this section if the amount of the tax credit exceeds the taxpayer's tax liability under this
304 chapter; and

305 (ii) the Division of Finance shall transfer at least annually from the General Fund into
306 the Education Fund an amount equal to the amount of tax credit claimed under this section.

307 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
308 commission may make rules providing procedures for making:

309 (i) a refund to a taxpayer as required by Subsection (3)(a)(i); or

310 (ii) transfers from the General Fund into the Education Fund as required by Subsection
311 (3)(a)(ii).

312 Section 5. Section **59-7-618** is amended to read:

313 **59-7-618. Tax credit related to natural gas heavy duty vehicles.**

314 (1) As used in this section:

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

317 (b) "Heavy duty vehicle" means a commercial category 7 or 8 vehicle, according to
318 vehicle classifications established by the Federal Highway Administration.

319 (c) "Natural gas" includes compressed natural gas and liquified natural gas.

320 (d) "Qualified heavy duty vehicle" means a heavy duty vehicle that:

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

322 (ii) is fueled by natural gas.

323 (e) "Qualified purchase" means the purchase of a qualified heavy duty vehicle.

324 (f) "Qualified taxpayer" means a taxpayer who:

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

326 (ii) receives a tax credit certificate from the board.

327 (g) "Small fleet" means 40 or fewer heavy duty vehicles registered in the state and
328 owned by a single taxpayer.

329 (h) "Tax credit certificate" means a certificate issued by the board certifying that a
330 taxpayer is entitled to a tax credit as provided in this section and stating the amount of the tax
331 credit.

332 (2) For a taxable year beginning on or after January 1, 2015, a qualified taxpayer may
333 claim a tax credit against tax otherwise due under this chapter or Chapter 8, Gross Receipts
334 Tax on Certain Corporations Not Required to Pay Corporate Franchise or Income Tax Act:

335 (a) in an amount equal to:

336 (i) \$25,000, if the qualified purchase occurs during calendar year 2015, calendar year
337 2016, or calendar year 2017;

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

339 (iii) \$18,000, if the qualified purchase occurs during calendar year 2019; and

340 (iv) \$15,000, if the qualified purchase occurs during calendar year 2020; and

341 (b) if the taxpayer certifies under oath that over 50% of the miles that the heavy duty
342 vehicle that is the subject of the qualified purchase will travel annually will be within the state.

343 (3) (a) Except as provided in Subsection (3)(b), a taxpayer may not submit an
344 application for, and the board may not issue to the taxpayer, a tax credit certificate under this
345 section in any taxable year for a qualifying purchase if the board has already issued tax credit
346 certificates to the taxpayer for 10 qualifying purchases in the same taxable year.

347 (b) If, by May 1 of any year, more than 30% of the aggregate annual total amount of
348 tax credits under Subsection (5) has not been claimed, a taxpayer may submit an application
349 for, and the board may issue to the taxpayer, one or more tax credit certificates for up to eight
350 additional qualifying purchases, even if the board has already issued to that taxpayer tax credit
351 certificates for the maximum number of qualifying purchases allowed under Subsection (3)(a).

352 (4) (a) Subject to Subsection (4)(b), the board shall reserve 25% of all tax credits
353 available under this section for taxpayers with a small fleet.

354 (b) Subsection (4)(a) does not prevent a taxpayer from submitting an application for, or
355 the board from issuing, a tax credit certificate if the amount reserved under Subsection (4)(a)
356 for taxpayers with a small fleet has not been claimed by a date that is 90 days before the end of
357 the year.

358 (5) (a) The aggregate annual total amount of tax credits represented by tax credit
359 certificates that the board issues under this section, when combined with the aggregate annual
360 total amount of tax credits represented by tax credit certificates that the board issues under
361 Section [59-10-1033](#), may not exceed \$500,000.

362 (b) The board shall, in accordance with Title 63G, Chapter 3, Utah Administrative
363 Rulemaking Act, make rules to establish a process whereby a taxpayer may reserve a potential
364 tax credit under this section for a limited time to allow the taxpayer to make a qualifying
365 purchase with the assurance that the aggregate limit under Subsection (5)(a) will not be met
366 before the taxpayer is able to submit an application for a tax credit certificate.

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

369 (A) submit to the board an application for a tax credit;

370 (B) provide the board proof of a qualifying purchase; and

371 (C) submit to the board the certification under oath required under Subsection (2)(b).

372 (ii) Upon receiving the application, proof, and certification required under Subsection
373 (6)(a)(i), the board shall provide the taxpayer a written statement from the board
374 acknowledging receipt of the proof.

375 (b) If the board determines that a taxpayer qualifies for a tax credit under this section,
376 the board shall:

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

378 (ii) provide the qualifying taxpayer with a written tax credit certificate:

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

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

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

383 (d) The board shall at least annually submit to the commission a list of all taxpayers to
384 whom the board has issued a tax credit certificate and the amount of each tax credit represented
385 by the tax credit certificates.

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

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

390 (b) for the taxable year in which the qualifying purchase occurs; and

391 (c) once per vehicle.

392 (8) A qualifying taxpayer may not assign a tax credit or a tax credit certificate under
393 this section to another person.

394 (9) If the amount of a tax credit claimed by a qualifying taxpayer under this section
395 exceeds the qualifying taxpayer's tax liability under this chapter or Chapter 8, Gross Receipts
396 Tax on Certain Corporations Not Required to Pay Corporate Franchise or Income Tax Act, for
397 a taxable year, the amount of the tax credit exceeding the tax liability may be carried forward

398 for a period that does not exceed the next five taxable years.

399 (10) (a) In accordance with any rules prescribed by the commission under Subsection
400 (10)(b), the [~~commission~~] Division of Finance shall transfer at least annually from the General
401 Fund into the Education Fund the aggregate amount of all tax credits claimed under this
402 section.

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

406 Section 6. Section **59-10-1005** is amended to read:

407 **59-10-1005. Tax credit for at-home parent.**

408 (1) As used in this section:

409 (a) "At-home parent" means a parent:

410 (i) who provides full-time care at the parent's residence for one or more of the parent's
411 own qualifying children;

412 (ii) who claims the qualifying child as a dependent on the parent's individual income
413 tax return for the taxable year for which the parent claims the credit; and

414 (iii) if the sum of the following amounts are \$3,000 or less for the taxable year for
415 which the parent claims the credit:

416 (A) the total wages, tips, and other compensation listed on all of the parent's federal
417 Forms W-2; and

418 (B) the gross income listed on the parent's federal Form 1040 Schedule C, Profit or
419 Loss From Business.

420 (b) "Parent" means an individual who:

421 (i) is the biological mother or father of a qualifying child;

422 (ii) is the stepfather or stepmother of a qualifying child;

423 (iii) (A) legally adopts a qualifying child; or

424 (B) has a qualifying child placed in the individual's home:

425 (I) by a child placing agency as defined in Section [62A-4a-601](#); and

426 (II) for the purpose of legally adopting the child;

427 (iv) is a foster parent of a qualifying child; or

428 (v) is a legal guardian of a qualifying child.

429 (c) "Qualifying child" means a child who is no more than 12 months of age on the last
430 day of the taxable year for which the tax credit is claimed.

431 (2) For a taxable [years] year beginning on or after January 1, 2000, a claimant may
432 claim on the claimant's individual income tax return a nonrefundable tax credit of \$100 for
433 each qualifying child if:

434 (a) the claimant or another claimant filing a joint individual income tax return with the
435 claimant is an at-home parent; and

436 (b) the adjusted gross income of all of the claimants filing the individual income tax
437 return is less than or equal to \$50,000.

438 (3) A claimant may not carry forward or carry back a tax credit authorized by this
439 section.

440 ~~[(4) It is the intent of the Legislature that for fiscal years beginning on or after fiscal~~
441 ~~year 2000-01, the Legislature appropriate from the General Fund a sufficient amount to replace~~
442 ~~Education Fund revenues expended to provide for the tax credit under this section.]~~

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

446 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
447 commission may make rules for making a transfer from the General Fund into the Education
448 Fund as required by Subsection (4)(a).

449 Section 7. Section **59-10-1009** is amended to read:

450 **59-10-1009. Definitions -- Tax credits related to energy efficient vehicles.**

451 (1) As used in this section:

452 (a) "Air quality standards" means that a vehicle's emissions are equal to or cleaner than
453 the standards established in bin 4 in Table S04-1, of 40 C.F.R. 86.1811-04(c)(6).

454 (b) "Board" means the Air Quality Board created in Title 19, Chapter 2, Air
455 Conservation Act.

456 (c) "Certified by the board" means that:

457 (i) a motor vehicle on which conversion equipment has been installed meets the
458 following criteria:

459 (A) before the installation of conversion equipment, the vehicle does not exceed the

460 emission cut points for a transient test driving cycle, as specified in 40 C.F.R. Part 51,
461 Appendix E to Subpart S, or an equivalent test for the make, model, and year of the vehicle;
462 and

463 (B) as a result of the installation of conversion equipment on the motor vehicle, the
464 motor vehicle has reduced emissions; or

465 (ii) special mobile equipment on which conversion equipment has been installed has
466 reduced emissions.

467 (d) "Clean fuel grant" means a grant a claimant, estate, or trust receives under Title 19,
468 Chapter 1, Part 4, Clean Fuels and Vehicle Technology Program Act or Title 19, Chapter 2,
469 Part 3, Conversion to Alternative Fuel Grant Program, for reimbursement of a portion of the
470 incremental cost of the OEM vehicle or the cost of conversion equipment.

471 (e) "Conversion equipment" means equipment described in Subsection (2)(d) or (e).

472 (f) "OEM vehicle" [~~has~~] means the same [~~meaning~~] as that term is defined in Section
473 [19-1-402](#).

474 (g) "Original purchase" means the purchase of a vehicle that has never been titled or
475 registered and has been driven less than 7,500 miles.

476 (h) "Qualifying electric motorcycle" means a vehicle that:

477 (i) has a seat or saddle for the use of the rider;

478 (ii) is designed to travel with not more than three wheels in contact with the ground;

479 (iii) may lawfully be operated on a freeway, as defined in Section [41-6a-102](#);

480 (iv) is not fueled by natural gas;

481 (v) is fueled by electricity only; and

482 (vi) is an OEM vehicle except that the vehicle is fueled by a fuel described in
483 Subsection (1)(h)(v).

484 (i) "Qualifying electric vehicle" means a vehicle that:

485 (i) meets air quality standards;

486 (ii) is not fueled by natural gas;

487 (iii) is fueled by electricity only; and

488 (iv) is an OEM vehicle except that the vehicle is fueled by a fuel described in
489 Subsection (1)(i)(iii).

490 (j) "Qualifying plug-in hybrid vehicle" means a vehicle that:

- 491 (i) meets air quality standards;
- 492 (ii) is not fueled by natural gas or propane;
- 493 (iii) has a battery capacity that meets or exceeds the battery capacity described in
494 Section 30D(b)(3), Internal Revenue Code; and
- 495 (iv) is fueled by a combination of electricity and:
- 496 (A) diesel fuel;
- 497 (B) gasoline; or
- 498 (C) a mixture of gasoline and ethanol.
- 499 (k) "Reduced emissions" means:
- 500 (i) for purposes of a motor vehicle on which conversion equipment has been installed,
501 that the motor vehicle's emissions of regulated pollutants, when operating on a fuel listed in
502 Subsection (2)(e)(i) or (ii), is less than the emissions were before the installation of the
503 conversion equipment, as demonstrated by:
- 504 (A) certification of the conversion equipment by the federal Environmental Protection
505 Agency or by a state that has certification standards recognized by the board;
- 506 (B) testing the motor vehicle, before and after installation of the conversion equipment,
507 in accordance with 40 C.F.R. Part 86, Control of Emissions from New and In-use Highway
508 Vehicles and Engines, using all fuel the motor vehicle is capable of using;
- 509 (C) for a retrofit natural gas vehicle that is retrofit in accordance with Section
510 [19-1-406](#), testing that as a result of the retrofit, the retrofit natural gas vehicle satisfies the
511 emission standards applicable under Section [19-1-406](#); or
- 512 (D) any other test or standard recognized by board rule, made in accordance with Title
513 63G, Chapter 3, Utah Administrative Rulemaking Act; or
- 514 (ii) for purposes of special mobile equipment on which conversion equipment has been
515 installed, that the special mobile equipment's emissions of regulated pollutants, when operating
516 on a fuel listed in Subsection (2)(e)(i) or (ii), is less than the emissions were before the
517 installation of conversion equipment, as demonstrated by:
- 518 (A) certification of the conversion equipment by the federal Environmental Protection
519 Agency or by a state that has certification standards recognized by the board; or
- 520 (B) any other test or standard recognized by board rule, made in accordance with Title
521 63G, Chapter 3, Utah Administrative Rulemaking Act.

522 (l) "Special mobile equipment":
523 (i) means any mobile equipment or vehicle not designed or used primarily for the
524 transportation of persons or property; and
525 (ii) includes construction or maintenance equipment.
526 (2) For ~~the~~ a taxable ~~years~~ year beginning on or after January 1, 2015, but beginning
527 on or before December 31, 2016, a claimant, estate, or trust may claim a nonrefundable tax
528 credit against tax otherwise due under this chapter in an amount equal to:
529 (a) (i) for the original purchase of a new qualifying electric vehicle that is registered in
530 this state, the lesser of:
531 (A) \$1,500; or
532 (B) 35% of the purchase price of the vehicle; or
533 (ii) for the original purchase of a new qualifying plug-in hybrid vehicle that is
534 registered in this state, \$1,000;
535 (b) for the original purchase of a new vehicle fueled by natural gas or propane that is
536 registered in this state, the lesser of:
537 (i) \$1,500; or
538 (ii) 35% of the purchase price of the vehicle;
539 (c) for the original purchase of a new qualifying electric motorcycle that is registered in
540 this state, the lesser of:
541 (i) \$750; or
542 (ii) 35% of the purchase price of the vehicle;
543 (d) 50% of the cost of equipment for conversion, if certified by the board, of a motor
544 vehicle registered in this state minus the amount of any clean fuel grant received, up to a
545 maximum tax credit of \$1,500 per vehicle, if the motor vehicle:
546 (i) is to be fueled by propane, natural gas, or electricity;
547 (ii) is to be fueled by other fuel the board determines annually on or before July 1 to be
548 at least as effective in reducing air pollution as fuels under Subsection (2)(d)(i); or
549 (iii) will meet the federal clean fuel vehicle standards in the federal Clean Air Act
550 Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.;;
551 (e) 50% of the cost of equipment for conversion, if certified by the board, of a special
552 mobile equipment engine minus the amount of any clean fuel grant received, up to a maximum

553 tax credit of \$1,000 per special mobile equipment engine, if the special mobile equipment is to
554 be fueled by:

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

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

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

558 or

559 (B) substantially more effective in reducing air pollution than the fuel for which the
560 engine was originally designed; and

561 (f) for a lease of a vehicle described in Subsection (2)(a), (b), or (c), an amount equal to
562 the product of:

563 (i) the amount of tax credit the claimant, estate, or trust would otherwise qualify to
564 claim under Subsection (2)(a), (b), or (c) had the claimant, estate, or trust purchased the
565 vehicle, except that the purchase price described in Subsection (2)(a)(i)(B), (2)(b)(ii), or
566 (2)(c)(ii) is considered to be the value of the vehicle at the beginning of the lease; and

567 (ii) a percentage calculated by:

568 (A) determining the difference between the value of the vehicle at the beginning of the
569 lease, as stated in the lease agreement, and the value of the vehicle at the end of the lease, as
570 stated in the lease agreement; and

571 (B) dividing the difference determined under Subsection (2)(f)(ii)(A) by the value of
572 the vehicle at the beginning of the lease, as stated in the lease agreement.

573 (3) (a) The board shall:

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

576 (ii) provide the claimant, estate, or trust with a written certification of the amount of
577 tax credit the claimant, estate, or trust is allowed under this section.

578 (b) A claimant, estate, or trust shall provide proof of the purchase or lease of an item
579 for which a tax credit is allowed under this section by:

580 (i) providing proof to the board in the form the board requires by rule;

581 (ii) receiving a written statement from the board acknowledging receipt of the proof;

582 and

583 (iii) retaining the written statement described in Subsection (3)(b)(ii).

584 (c) A claimant, estate, or trust shall retain the written certification described in
585 Subsection (3)(a)(ii).

586 (4) Except as provided by Subsection (5), the tax credit under this section is allowed
587 only:

588 (a) against a tax owed under this chapter in the taxable year by the claimant, estate, or
589 trust;

590 (b) for the taxable year in which a vehicle described in Subsection (2)(a), (b), or (c) is
591 purchased, a vehicle described in Subsection (2)(f) is leased, or conversion equipment
592 described in Subsection (2)(d) or (e) is installed; and

593 (c) once per vehicle.

594 (5) A claimant, estate, or trust may not assign a tax credit under this section to another
595 person.

596 (6) If the amount of a tax credit claimed by a claimant, estate, or trust under this
597 section exceeds the claimant's, estate's, or trust's tax liability under this chapter for a taxable
598 year, the amount of the tax credit exceeding the tax liability may be carried forward for a period
599 that does not exceed the next five taxable years.

600 (7) In accordance with any rules prescribed by the commission under Subsection (8),
601 the ~~[commission]~~ Division of Finance shall transfer at least annually from the General Fund
602 into the Education Fund the amount by which the amount of tax credit claimed under this
603 section for a ~~[taxable]~~ fiscal year exceeds \$500,000.

604 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
605 commission may make rules for making a transfer from the General Fund into the Education
606 Fund as required by Subsection (7).

607 Section 8. Section **59-10-1033** is amended to read:

608 **59-10-1033. Tax credit related to natural gas heavy duty vehicles.**

609 (1) As used in this section:

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

612 (b) "Heavy duty vehicle" means a commercial category 7 or 8 vehicle, according to
613 vehicle classifications established by the Federal Highway Administration.

614 (c) "Natural gas" includes compressed natural gas and liquified natural gas.

- 615 (d) "Qualified heavy duty vehicle" means a heavy duty vehicle that:
616 (i) has never been titled or registered and has been driven less than 7,500 miles;
617 (ii) is fueled by natural gas; and
618 (iii) meets air quality standards.
- 619 (e) "Qualified purchase" means the purchase of a qualified heavy duty vehicle.
620 (f) "Qualified taxpayer" means a claimant, estate, or trust that:
621 (i) purchases a qualified heavy duty vehicle; and
622 (ii) receives a tax credit certificate from the board.
- 623 (g) "Small fleet" means 40 or fewer heavy duty vehicles registered in the state and
624 owned by a single claimant, estate, or trust.
- 625 (h) "Tax credit certificate" means a certificate issued by the board certifying that a
626 claimant, estate, or trust is entitled to a tax credit as provided in this section and stating the
627 amount of the tax credit.
- 628 (2) For a taxable year beginning on or after January 1, 2015, a qualified taxpayer may
629 claim a nonrefundable tax credit against tax otherwise due under this chapter:
- 630 (a) in an amount equal to:
631 (i) \$25,000, if the qualified purchase occurs during calendar year 2015, calendar year
632 2016, or calendar year 2017;
633 (ii) \$20,000, if the qualified purchase occurs during calendar year 2018;
634 (iii) \$18,000, if the qualified purchase occurs during calendar year 2019; and
635 (iv) \$15,000, if the qualified purchase occurs during calendar year 2020; and
636 (b) if the claimant, estate, or trust certifies under oath that over 50% of the miles that
637 the heavy duty vehicle that is the subject of the qualified purchase or qualified conversion will
638 travel annually will be within the state.
- 639 (3) (a) Except as provided in Subsection (3)(b), a claimant, estate, or trust may not
640 submit an application for, and the board may not issue to the claimant, estate, or trust, a tax
641 credit certificate under this section in any taxable year for a qualifying purchase if the board has
642 already issued to the claimant, estate, or trust 10 tax credits for qualifying purchases in the
643 same taxable year.
- 644 (b) If, by May 1 of any year, more than 30% of the aggregate annual total amount of
645 tax credits under Subsection (5) has not been claimed, a claimant, estate, or trust may submit

646 an application for, and the board may issue to the claimant, estate, or trust, one or more tax
647 credit certificates for up to eight additional qualifying purchases, even if the board has already
648 issued to that claimant, estate, or trust tax credit certificates for the maximum number of
649 qualifying purchases allowed under Subsection (3)(a).

650 (4) (a) Subject to Subsection (4)(b), the board shall reserve 25% of all tax credits
651 available under this section for claimants, estates, or trusts with a small fleet.

652 (b) Subsection (4)(a) does not prevent a claimant, estate, or trust from submitting an
653 application for, or the board from issuing, a tax credit certificate if the amount reserved under
654 Subsection (4)(a) for claimants, estates, or trusts with a small fleet has not been claimed by a
655 date that is 90 days before the end of the year.

656 (5) (a) The aggregate annual total amount of tax credits represented by tax credit
657 certificates that the board issues under this section, when combined with the aggregate annual
658 total amount of tax credits represented by tax credit certificates that the board issues under
659 Section 59-7-618, may not exceed \$500,000.

660 (b) The board shall, in accordance with Title 63G, Chapter 3, Utah Administrative
661 Rulemaking Act, make rules to establish a process whereby a taxpayer may reserve a potential
662 tax credit under this section for a limited time to allow the taxpayer to make a qualifying
663 purchase with the assurance that the aggregate limit under Subsection (5)(a) will not be met
664 before the taxpayer is able to submit an application for a tax credit certificate.

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

- 667 (A) submit to the board an application for a tax credit;
668 (B) provide the board proof of a qualifying purchase or qualifying conversion; and
669 (C) submit to the board the certification under oath required under Subsection (2)(b).

670 (ii) Upon receiving the application, proof, and certification required under Subsection
671 (6)(a)(i), the board shall provide the claimant, estate, or trust a written statement from the board
672 acknowledging receipt of the proof.

673 (b) If the board determines that a claimant, estate, or trust qualifies for a tax credit
674 under this section, the board shall:

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

- 677 (ii) provide the qualifying taxpayer with a written tax credit certificate:
678 (A) stating that the claimant, estate, or trust has qualified for a tax credit; and
679 (B) showing the amount of tax credit for which the claimant, estate, or trust has
680 qualified under this section.
- 681 (c) A claimant, estate, or trust shall retain the tax credit certificate.
682 (d) The board shall at least annually submit to the commission a list of all claimants,
683 estates, and trusts to which the board has issued a tax credit certificate and the amount of each
684 tax credit represented by the tax credit certificates.
- 685 (7) The tax credit under this section is allowed only:
686 (a) against a tax owed under this chapter in the taxable year by the qualified taxpayer;
687 (b) for the taxable year in which the qualifying purchase occurs; and
688 (c) once per vehicle.
- 689 (8) A qualifying taxpayer may not assign a tax credit or a tax credit certificate under
690 this section to another person.
- 691 (9) If the amount of a tax credit claimed by a qualifying taxpayer under this section
692 exceeds the qualifying taxpayer's tax liability under this chapter for a taxable year, the amount
693 of the tax credit exceeding the tax liability may be carried forward for a period that does not
694 exceed the next five taxable years.
- 695 (10) (a) In accordance with any rules prescribed by the commission under Subsection
696 (10)(b), the [~~commission~~] Division of Finance shall transfer at least annually from the General
697 Fund into the Education Fund the aggregate amount of all tax credits claimed under this
698 section.
- 699 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
700 commission may make rules for making a transfer from the General Fund into the Education
701 Fund as required by Subsection (10)(a).
- 702 Section 9. Section **59-10-1105** is amended to read:
703 **59-10-1105. Tax credit for hand tools used in farming operations -- Procedures**
704 **for refund -- Transfers from General Fund to Education Fund -- Rulemaking authority.**
- 705 (1) For a taxable [~~years~~] year beginning on or after January 1, 2004, a claimant, estate,
706 or trust may claim a refundable tax credit:
707 (a) as provided in this section;

- 708 (b) against taxes otherwise due under this chapter; and
- 709 (c) in an amount equal to the amount of tax the claimant, estate, or trust pays:
- 710 (i) on a purchase of a hand tool:
- 711 (A) if the purchase is made on or after July 1, 2004;
- 712 (B) if the hand tool is used or consumed primarily and directly in a farming operation
- 713 in the state; and
- 714 (C) if the unit purchase price of the hand tool is more than \$250; and
- 715 (ii) under Chapter 12, Sales and Use Tax Act, on the purchase described in Subsection
- 716 (1)(c)(i).
- 717 (2) A claimant, estate, or trust:
- 718 (a) shall retain the following to establish the amount of tax the claimant, estate, or trust
- 719 paid under Chapter 12, Sales and Use Tax Act, on the purchase described in Subsection
- 720 (1)(c)(i):
- 721 (i) a receipt;
- 722 (ii) an invoice; or
- 723 (iii) a document similar to a document described in Subsection (2)(a)(i) or (ii); and
- 724 (b) may not carry forward or carry back a tax credit under this section.
- 725 (3) (a) In accordance with any rules prescribed by the commission under Subsection
- 726 (3)(b)[-];
- 727 (i) the commission shall[~~-(i)~~] make a refund to a claimant, estate, or trust that claims a
- 728 tax credit under this section if the amount of the tax credit exceeds the claimant's, estate's, or
- 729 trust's tax liability under this chapter; and
- 730 (ii) the Division of Finance shall transfer at least annually from the General Fund into
- 731 the Education Fund an amount equal to the aggregate amount of all tax [~~credit~~] credits claimed
- 732 under this section.
- 733 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 734 commission may make rules providing procedures for making:
- 735 (i) a refund to a claimant, estate, or trust as required by Subsection (3)(a)(i); or
- 736 (ii) transfers from the General Fund into the Education Fund as required by Subsection
- 737 (3)(a)(ii).
- 738 Section 10. Section **59-13-202** is amended to read:

739 **59-13-202. Refund of tax for agricultural uses on individual income and**
740 **corporate franchise and income tax returns -- Application for permit for refund --**
741 **Division of Finance to pay claims -- Rules permitted to enforce part -- Penalties.**

742 (1) As used in this section:

743 (a) (i) Except as provided in Subsection (1)(a)(ii), "claimant" means a resident or
744 nonresident person.

745 (ii) "Claimant" does not include an estate or trust.

746 (b) "Estate" means a nonresident estate or a resident estate.

747 (c) "Refundable tax credit" or "tax credit" means a tax credit that a claimant, estate, or
748 trust may claim:

749 (i) as provided by statute; and

750 (ii) regardless of whether, for the taxable year for which the claimant, estate, or trust
751 claims the tax credit, the claimant, estate, or trust has a tax liability under:

752 (A) Chapter 7, Corporate Franchise and Income Taxes; or

753 (B) Chapter 10, Individual Income Tax Act.

754 (d) "Trust" means a nonresident trust or a resident trust.

755 (2) Any claimant, estate, or trust that purchases and uses any motor fuel within the state
756 for the purpose of operating or propelling stationary farm engines and self-propelled farm
757 machinery used for nonhighway agricultural uses, and that has paid the tax on the motor fuel as
758 provided by this part, is entitled to a refund of the tax subject to the conditions and limitations
759 provided under this part.

760 (3) (a) A claimant, estate, or trust desiring a nonhighway agricultural use refund under
761 this part shall claim the refund as a refundable tax credit on the tax return the claimant, estate,
762 or trust files under:

763 (i) Chapter 7, Corporate Franchise and Income Taxes; or

764 (ii) Chapter 10, Individual Income Tax Act.

765 (b) A claimant, estate, or trust not subject to filing a tax return described in Subsection
766 (3)(a) shall obtain a permit and file claims on a calendar year basis.

767 (c) Any claimant, estate, or trust claiming a refundable tax credit under this section is
768 required to furnish any or all of the information outlined in this section upon request of the
769 commission.

770 (d) A refundable tax credit under this section is allowed only on purchases on which
771 tax is paid during the taxable year covered by the tax return.

772 (4) In order to obtain a permit for a refund of motor fuel tax paid, an application shall
773 be filed containing:

774 (a) the name of the claimant, estate, or trust;

775 (b) the claimant's, estate's, or trust's address;

776 (c) location and number of acres owned and operated, location and number of acres
777 rented and operated, the latter of which shall be verified by a signed statement from the legal
778 owner;

779 (d) number of acres planted to each crop, type of soil, and whether irrigated or dry; and

780 (e) make, size, and type of fuel used~~[,]~~ and power rating of each piece of equipment
781 using fuel. If the claimant, estate, or trust is an operator of self-propelled or tractor-pulled farm
782 machinery with which the claimant, estate, or trust works for hire doing custom jobs for other
783 farmers, the application shall include information the commission requires and shall all be
784 contained in, and be considered part of, the original application. The claimant, estate, or trust
785 shall also file with the application a certificate from the county assessor showing each piece of
786 equipment using fuel. This original application and all information contained in it constitutes a
787 permanent file with the commission in the name of the claimant, estate, or trust.

788 (5) ~~[Any]~~ A claimant, estate, or trust claiming the right to a refund of motor fuel tax
789 paid shall file a claim with the commission by April 15 of each year for the refund for the
790 previous calendar year. The claim shall state the name and address of the claimant, estate, or
791 trust, the number of gallons of motor fuel purchased for nonhighway agricultural uses, and the
792 amount paid for the motor fuel. The claimant, estate, or trust shall retain the original invoice to
793 support the claim. No more than one claim for a tax refund may be filed annually by each user
794 of motor fuel purchased for nonhighway agricultural uses.

795 (6) Upon commission approval of the claim for a refund, the Division of Finance shall
796 pay the amount found due to the claimant, estate, or trust. The total amount of claims for
797 refunds shall be paid from motor fuel taxes.

798 (7) The commission ~~[may promulgate rules to enforce this part, and]~~ may refuse to
799 accept as evidence of purchase or payment any instruments ~~[which]~~ that show alteration or
800 ~~[which]~~ that fail to indicate the quantity of the purchase, the price of the motor fuel, a statement

801 that ~~[it]~~ the motor fuel is purchased for purposes other than transportation, and the date of
 802 purchase and delivery. If the commission is not satisfied with the evidence submitted in
 803 connection with the claim, ~~[it]~~ the commission may reject the claim or require additional
 804 evidence.

805 (8) ~~[Any]~~ A claimant, estate, or trust aggrieved by the decision of the commission with
 806 respect to a refundable tax credit or refund may file a request for agency action, requesting a
 807 hearing before the commission.

808 (9) ~~[Any]~~ A claimant, estate, or trust that makes any false claim, report, or statement,
 809 as claimant, estate, trust, agent, or creditor, with intent to defraud or secure a refund to which
 810 the claimant, estate, or trust is not entitled, is subject to the criminal penalties provided under
 811 Section 59-1-401, and the commission shall initiate the filing of a complaint for alleged
 812 violations of this part. In addition to these penalties, the claimant, estate, or trust may not
 813 receive any refund as a claimant, estate, or trust or as a creditor of a claimant, estate, or trust for
 814 refund for a period of five years.

815 ~~[(10) Refunds to which a claimant, estate, or trust is entitled under this part shall be~~
 816 ~~paid from the Transportation Fund.]~~

817 (10) (a) In accordance with any rules prescribed by the commission under Subsection
 818 (10)(b), the Division of Finance shall transfer at least annually from the Transportation Fund
 819 into the Education Fund an amount equal to the amount of the refund claimed under this
 820 section.

821 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 822 commission may make rules providing procedures for:

823 (i) making a refund to a claimant, estate, or trust as required by Subsection (3)(a)(i);

824 (ii) making a transfer from the Transportation Fund into the Education Fund as
 825 required by Subsection (10)(a); or

826 (iii) enforcing this part.

827 **Section 11. Effective date.**

828 This bill takes effect on July 1, 2016.