

Fuel Tax and Supply Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin Roberts

Senate Sponsor: Brady Brammer

LONG TITLE**General Description:**

This bill reduces the motor fuel tax rate, requires reporting related to refining operations, and enacts provisions related to pipeline permitting.

Highlighted Provisions:

This bill:

- ▶ enacts provisions related to permitting and right-of-way coordination for certain oil and gas infrastructure;
- ▶ reduces the rate of the motor fuel tax;
- ▶ requires refineries to report to the Office of Energy Development regarding production;
- ▶ amends definitions related to the High Cost Infrastructure Development Tax Credit; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:**AMENDS:**

59-13-102, as last amended by Laws of Utah 2015, Chapter 275

59-13-201, as last amended by Laws of Utah 2023, Chapter 464

59-13-301, as last amended by Laws of Utah 2019, Chapter 479

63I-2-259, as last amended by Laws of Utah 2025, Chapters 157, 182, 277, and 366

79-6-602, as last amended by Laws of Utah 2025, Chapters 159, 251

ENACTS:

19-14-101, Utah Code Annotated 1953

19-14-201, Utah Code Annotated 1953

19-14-202, Utah Code Annotated 1953

72-5-501, Utah Code Annotated 1953

31 72-5-502, Utah Code Annotated 1953

32 79-6-410, Utah Code Annotated 1953

33

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

35 Section 1. Section 19-14-101 is enacted to read:

36 **CHAPTER 14. Midstream Facility Permitting**

37 **Part 1. General Provisions**

38 **19-14-101 . Definitions.**

39 As used in this chapter:

40 (1) "Applicant" means an individual or entity that applies for a pipeline or other permit as
41 described in this chapter.

42 (2) "Midstream facility" means a facility, structure, or infrastructure used for the gathering,
43 processing, treatment, storage, or transportation of petroleum products between the point
44 of extraction or production and the point of distribution or end use, including:

45 (a) pipelines;

46 (b) storage tanks;

47 (c) processing plants;

48 (d) compression stations;

49 (e) pumping stations; and

50 (f) related equipment and infrastructure necessary for the operation of the facility.

51 Section 2. Section 19-14-201 is enacted to read:

52 **Part 2. Permitting**

53 **19-14-201 . Department permitting authority -- Application requirements.**

54 (1) The department and the department's divisions with permitting authorities described in
55 the following chapters shall act as the permitting authorities for a midstream facility:

56 (a) Chapter 2, Air Conservation Act;

57 (b) Chapter 2a, Air Quality - Special Provisions;

58 (c) Chapter 3, Radiation Control Act;

59 (d) Chapter 4, Safe Drinking Water Act;

60 (e) Chapter 5, Water Quality Act;

61 (f) Chapter 6, Hazardous Substances; and

62 (g) Chapter 7, Environmental Self-Evaluation Act.

63 (2) The department and the department's divisions described in Subsection (1) shall

64 coordinate with the Governor's Office of Economic Opportunity for permitting
 65 coordination across agencies and divisions.

66 (3) A permit application for a midstream facility shall include:

67 (a) a detailed description of the proposed midstream facility;

68 (b) environmental and safety assessments as required by applicable law;

69 (c) evidence of financial capacity to complete the project; and

70 (d) other information the division directors with permitting authorities described in
 71 Subsection (1) determine necessary to evaluate the application.

72 (4) The department shall, in accordance with Title 63G, Chapter 3, Utah Administrative
 73 Rulemaking Act, make rules establishing:

74 (a) the form and process for submitting an application; and

75 (b) additional application requirements for each of the department's permitting divisions
 76 applicable to the project.

77 Section 3. Section **19-14-202** is enacted to read:

78 **19-14-202 . Permit processing timeline.**

79 (1) Subject to Subsections (2) and (3), if the division director receives an application
 80 described in Section 19-14-201, the applicable division director shall approve or deny an
 81 application within 120 days of the date on which the applicable division director
 82 receives the complete application.

83 (2)(a) The division director may, based on extraordinary circumstances, and without the
 84 concurrence of the applicant, extend the deadline described in Subsection (1) for a
 85 reasonable period not to exceed 30 days.

86 (b) If the division director extends the deadline as described in Subsection (2), the
 87 division director shall provide written findings to explain the need for the extension.

88 (3) The division director may, with concurrence of the applicant, extend the deadline
 89 described in Subsection (1) for a term agreed upon by the division director and the
 90 applicant.

91 Section 4. Section **59-13-102** is amended to read:

92 **59-13-102 . Definitions.**

93 As used in this chapter:

94 (1) "Aviation fuel" means fuel that is sold at airports and used exclusively for the operation
 95 of aircraft.

96 (2) "Clean fuel" means:

97 (a) the following special fuels:

- 98 (i) propane;
- 99 (ii) compressed natural gas;
- 100 (iii) liquified natural gas;
- 101 (iv) electricity; or
- 102 (v) hydrogen; or
- 103 (b) any motor or special fuel that meets the clean fuel vehicle standards in the federal
- 104 Clean Air Act Amendments of 1990, Title II.
- 105 (3) "Commission" means the State Tax Commission.
- 106 (4) "Consumer Price Index" means the Consumer Price Index for All Urban Consumers as
- 107 published by the Bureau of Labor Statistics of the United States Department of Labor.
- 108 (5)(a) "Diesel fuel" means any liquid that is commonly or commercially known, offered
- 109 for sale, or used as a fuel in diesel engines.
- 110 (b) "Diesel fuel" includes any combustible liquid, by whatever name the liquid may be
- 111 known or sold, when the liquid is used in an internal combustion engine for the
- 112 generation of power to operate a motor vehicle licensed to operate on the highway,
- 113 except fuel that is subject to the tax imposed in Part 2, Motor Fuel, and Part 4,
- 114 Aviation Fuel, of this chapter.
- 115 (6) "Diesel gallon equivalent" means 6.06 pounds of liquified natural gas.
- 116 (7) "Distributor" means any person in this state who:
- 117 (a) imports or causes to be imported motor fuel for use, distribution, or sale, whether at
- 118 retail or wholesale;
- 119 (b) produces, refines, manufactures, or compounds motor fuel in this state for use,
- 120 distribution, or sale in this state;
- 121 (c) is engaged in the business of purchasing motor fuel for resale in wholesale quantities
- 122 to retail dealers of motor fuel and who accounts for his own motor fuel tax liability; or
- 123 (d) for purposes of Part 4, Aviation Fuel, only, makes retail sales of aviation fuel to:
- 124 (i) federally certificated air carriers; and
- 125 (ii) other persons.
- 126 (8) "Dyed diesel fuel" means diesel fuel that is dyed in accordance with 26 U.S.C. Sec.
- 127 4082 or United States Environmental Protection Agency or Internal Revenue Service
- 128 regulations and that is considered destined for nontaxable off-highway use.
- 129 (9) "Exchange agreement" means an agreement between licensed suppliers where one is a
- 130 position holder in a terminal who agrees to deliver taxable motor fuel or special fuel to
- 131 the other supplier or the other supplier's customer at the loading rack of the terminal

- 132 where the delivering supplier holds an inventory position.
- 133 (10) "Federally certificated air carrier" means a person who holds a certificate issued by the
134 Federal Aviation Administration authorizing the person to conduct an all-cargo
135 operation or scheduled operation, as defined in 14 C.F.R. Sec. 110.2.
- 136 (11) "Fuels" means any gas, liquid, solid, mixture, or other energy source which is
137 generally used in an engine or motor for the generation of power, including aviation
138 fuel, clean fuel, diesel fuel, motor fuel, and special fuel.
- 139 (12) "Gasoline gallon equivalent" means:
- 140 (a) 5.660 pounds of compressed natural gas; or
141 (b) 2.198 pounds of hydrogen.
- 142 (13) "Highway" means every way or place, of whatever nature, generally open to the use of
143 the public for the purpose of vehicular travel notwithstanding that the way or place may
144 be temporarily closed for the purpose of construction, maintenance, or repair.
- 145 (14) "Motor fuel" means fuel that is commonly or commercially known or sold as gasoline
146 or gasohol and is used for any purpose, but does not include aviation fuel.
- 147 (15) "Motor fuels received" means:
- 148 (a) motor fuels that have been loaded at the refinery or other place into tank cars, placed
149 in any tank at the refinery from which any withdrawals are made directly into tank
150 trucks, tank wagons, or other types of transportation equipment, containers, or
151 facilities other than tank cars, or placed in any tank at the refinery from which any
152 sales, uses, or deliveries not involving transportation are made directly; or
153 (b) motor fuels that have been imported by any person into the state from any other state
154 or territory by tank car, tank truck, pipeline, or any other conveyance at the time
155 when, and the place where, the interstate transportation of the motor fuel is
156 completed within the state by the person who at the time of the delivery is the owner
157 of the motor fuel.
- 158 (16) "Oil pricing service" means an organization that:
- 159 (a) publishes wholesale petroleum prices within the United States;
160 (b) publishes at least 25,000 rack prices on a daily basis; and
161 (c) receives daily gasoline and diesel prices from at least 100,000 retail outlets in the
162 United States and Canada.
- 163 (17)(a) "Qualified motor vehicle" means a special fuel-powered motor vehicle used,
164 designed, or maintained for transportation of persons or property which:
- 165 (i) has a gross vehicle weight or registered gross vehicle weight exceeding 26,000

- 166 pounds;
- 167 (ii) has three or more axles regardless of weight; or
- 168 (iii) is used in a combination of vehicles when the weight of the combination of
- 169 vehicles exceeds 26,000 pounds gross vehicle weight.
- 170 (b) "Qualified motor vehicle" does not include a recreational vehicle not used in
- 171 connection with any business activity.
- 172 (18) [~~"Rack," as used in Part 3, Special Fuel,~~] "Rack" means a deck, platform, or open bay
- 173 which consists of a series of metered pipes and hoses for the delivery or removal of
- 174 motor fuel or diesel fuel from a refinery or terminal into a motor vehicle, rail car, or
- 175 vessel.
- 176 (19)(a) [~~"Removal," as used in Part 3, Special Fuel,~~] "Removal" means the physical
- 177 transfer of motor fuel or diesel fuel from a production, manufacturing, terminal, or
- 178 refinery facility and includes use of motor fuel or diesel fuel.
- 179 (b) "Removal" does not include:
- 180 [~~(a)~~] (i) loss by evaporation or destruction; or
- 181 [~~(b)~~] (ii) transfers between refineries, racks, or terminals.
- 182 (20)(a) "Special fuel" means any fuel regardless of name or character that:
- 183 (i) is usable as fuel to operate or propel a motor vehicle upon the public highways of
- 184 the state; and
- 185 (ii) is not taxed under the category of aviation or motor fuel.
- 186 (b) Special fuel includes:
- 187 (i) fuels that are not conveniently measurable on a gallonage basis; and
- 188 (ii) diesel fuel.
- 189 (21) "Statewide average rack price of a gallon of motor fuel" means the average rack price
- 190 of a gallon of motor fuel determined by calculating the average of the Salt Lake City and
- 191 Cedar City terminal prices of the average daily average net closing price of a gallon of
- 192 branded regular, 10% ethanol, 9.0 Reid Vapor Pressure unleaded motor fuel for each
- 193 terminal.
- 194 [~~(21)~~] (22) [~~"Supplier," as used in Part 3, Special Fuel,~~] "Supplier" means a person who:
- 195 (a) imports or acquires immediately upon importation into this state motor fuel or diesel
- 196 fuel from within or without a state, territory, or possession of the United States or the
- 197 District of Columbia;
- 198 (b) produces, manufactures, refines, or blends motor fuel or diesel fuel in this state;
- 199 (c) otherwise acquires for distribution or sale in this state, motor fuel or diesel fuel with

- 200 respect to which there has been no previous taxable sale or use; or
- 201 (d) is in a two party exchange where the receiving party is deemed to be the supplier.
- 202 [~~(22)~~] (23) [~~"Terminal," as used in Part 3, Special Fuel,~~] "Terminal" means a facility for the
- 203 storage of motor fuel or diesel fuel which is supplied by a motor vehicle, pipeline, or
- 204 vessel and from which motor fuel or diesel fuel is removed for distribution at a rack.
- 205 [~~(23)~~] (24) "Two party exchange" means a transaction in which motor fuel or special fuel is
- 206 transferred between licensed suppliers [~~pursuant to~~] in accordance with an exchange
- 207 agreement.
- 208 [~~(24)~~] (25) "Undyed diesel fuel" means diesel fuel that is not subject to the dyeing
- 209 requirements in accordance with 26 U.S.C. Sec. 4082 or United States Environmental
- 210 Protection Agency or Internal Revenue Service regulations.
- 211 [~~(25)~~] (26) [~~"Use," as used in Part 3, Special Fuel,~~] "Use" means the consumption of special
- 212 fuel for the operation or propulsion of a motor vehicle upon the public highways of the
- 213 state and includes the reception of special fuel into the fuel supply tank of a motor
- 214 vehicle.
- 215 [~~(26)~~] (27) [~~"User," as used in Part 3, Special Fuel,~~] "User" means any person who uses
- 216 special fuel within this state in an engine or motor for the generation of power to operate
- 217 or propel a motor vehicle upon the public highways of the state.
- 218 [~~(27)~~] (28) "Ute tribal member" means an enrolled member of the Ute tribe.
- 219 [~~(28)~~] (29) "Ute tribe" means the Ute Indian Tribe of the Uintah and Ouray Reservation.
- 220 [~~(29)~~] (30) "Ute trust land" means the lands:
- 221 (a) of the Uintah and Ouray Reservation that are held in trust by the United States for the
- 222 benefit of:
- 223 (i) the Ute tribe;
- 224 (ii) an individual; or
- 225 (iii) a group of individuals; or
- 226 (b) specified as trust land by agreement between the governor and the Ute tribe meeting
- 227 the requirements of Subsections 59-13-201.5(3) and 59-13-301.5(3).
- 228 Section 5. Section **59-13-201** is amended to read:
- 229 **59-13-201 . Rate -- Tax basis -- Exemptions -- Revenue deposited into the**
- 230 **Transportation Fund -- Restricted account for boating uses -- Refunds -- Reduction of**
- 231 **tax in limited circumstances.**
- 232 (1)(a)(i) Subject to Subsection (1)(a)(ii) and the provisions of this section and except
- 233 as provided in Subsection (1)(e), a tax is imposed at the rate of 14.2% of the

234 statewide average rack price of a gallon of motor fuel per gallon upon all motor
 235 fuel that is sold, used, or received for sale or used in this state.

236 (ii) Beginning on July 1, 2026, and ending on December 31, 2026, the commission
 237 shall apply a tax rate of \$0.319 per gallon upon all motor fuel that is sold, used, or
 238 received for sale or used in this state.

239 ~~[(ii) Notwithstanding Subsection (1)(a)(i), for the period beginning on July 1, 2023,~~
 240 ~~and ending on December 31, 2023, the rate described in Subsection (1)(a)(i) shall~~
 241 ~~be 34.5 cents per gallon.]~~

242 (b)[~~(i) Until December 31, 2018, and subject to the requirements under Subsection~~
 243 ~~(1)(c), the statewide average rack price of a gallon of motor fuel under Subsection~~
 244 ~~(1)(a) shall be determined by calculating the previous fiscal year statewide~~
 245 ~~average rack price of a gallon of regular unleaded motor fuel, excluding federal~~
 246 ~~and state excise taxes, for the 12 months ending on the previous June 30 as~~
 247 ~~published by an oil pricing service.]~~

248 [~~(ii) Beginning on January 1, 2019, and subject~~] Subject to the requirements under
 249 Subsection (1)(c), the statewide average rack price of a gallon of motor fuel under
 250 Subsection (1)(a) shall be determined by calculating the previous three fiscal years
 251 statewide average rack price of a gallon of regular unleaded motor fuel, excluding
 252 federal and state excise taxes, for the 36 months ending on the previous June 30 as
 253 published by an oil pricing service.

254 (c)(i) Subject to the requirement in Subsection (1)(c)(ii), the three-year rolling
 255 average of the statewide average rack price of a gallon of motor fuel determined
 256 under Subsection (1)(b) may not be less than \$1.78 per gallon.

257 (ii) [~~Beginning on January 1, 2019, the~~] The commission shall, on January 1, annually
 258 adjust the minimum statewide average rack price of a gallon of motor fuel
 259 described in Subsection (1)(c)(i) by taking the minimum statewide average rack
 260 price of a gallon of motor fuel for the previous calendar year and adding an
 261 amount equal to the greater of:

262 (A) an amount calculated by multiplying the minimum statewide average rack
 263 price of a gallon of motor fuel for the previous calendar year by the actual
 264 percent change during the previous fiscal year in the Consumer Price Index; and

265 (B) 0.

266 (iii) The statewide average rack price of a gallon of motor fuel determined by the
 267 commission under Subsection (1)(b) may not exceed:

- 268 [~~(A)~~ for a calendar year beginning on January 1, 2024, \$2.57 per gallon;]
 269 [~~(B)~~ for a calendar year beginning on January 1, 2025, \$2.71 per gallon;]
 270 [~~(C)~~] (A) for a calendar year beginning on January 1, 2026, \$2.82 per gallon; and
 271 [~~(D)~~] (B) for a calendar year beginning on January 1, 2028, and thereafter, \$2.96
 272 per gallon.
- 273 (iv) The minimum statewide average rack price of a gallon of motor fuel described
 274 and adjusted under Subsections (1)(c)(i) and (ii) may not exceed the maximum
 275 statewide average rack price of a gallon of motor fuel under Subsection (1)(c)(iii).
- 276 (d)(i) The commission shall annually:
- 277 (A) determine the three-year rolling average of the statewide average rack price of
 278 a gallon of motor fuel in accordance with Subsections (1)(b) and (c);
 279 (B) adjust the fuel tax rate imposed under Subsection (1)(a), rounded to the
 280 nearest one-tenth of a cent, based on the determination under Subsection (1)(b);
 281 (C) publish the adjusted fuel tax as a cents per gallon rate; and
 282 (D) post or otherwise make public the adjusted fuel tax rate as determined in
 283 Subsection (1)(d)(i)(B) no later than 60 days before the annual effective date
 284 under Subsection (1)(d)(ii).
- 285 (ii) The tax rate imposed under this Subsection (1) and adjusted as required under
 286 Subsection (1)(d)(i) shall take effect on January 1 of each year.
- 287 (e) In lieu of the tax imposed under Subsection (1)(a) and subject to the provisions of
 288 this section, a tax is imposed at the rate of 3/19 of the rate imposed under Subsection
 289 (1)(a), rounded up to the nearest penny, upon all motor fuels that meet the definition
 290 of clean fuel in Section 59-13-102 and are sold, used, or received for sale or use in
 291 this state.
- 292 (2) Any increase or decrease in tax rate applies to motor fuel that is imported to the state or
 293 sold at refineries in the state on or after the effective date of the rate change.
- 294 (3)(a) No motor fuel tax is imposed upon:
- 295 (i) motor fuel that is brought into and sold in this state in original packages as purely
 296 interstate commerce sales;
- 297 (ii) motor fuel that is exported from this state if proof of actual exportation on forms
 298 prescribed by the commission is made within 180 days after exportation;
- 299 (iii) motor fuel or components of motor fuel that is sold and used in this state and
 300 distilled from coal, oil shale, rock asphalt, bituminous sand, or solid hydrocarbons
 301 located in this state; or

- 302 (iv) motor fuel that is sold to the United States government, this state, or the political
303 subdivisions of this state.
- 304 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
305 commission shall make rules governing the procedures for administering the tax
306 exemption provided under Subsection (3)(a)(iv).
- 307 (4) The commission may either collect no tax on motor fuel exported from the state or,
308 upon application, refund the tax paid.
- 309 (5)(a) All revenue received by the commission under this part shall be deposited daily
310 with the state treasurer and credited to the Transportation Fund.
- 311 (b) An appropriation from the Transportation Fund shall be made to the commission to
312 cover expenses incurred in the administration and enforcement of this part and the
313 collection of the motor fuel tax.
- 314 (6)(a) The commission shall determine what amount of motor fuel tax revenue is
315 received from the sale or use of motor fuel used in motorboats registered under Title
316 73, Chapter 18, State Boating Act, and this amount shall be deposited into a restricted
317 revenue account in the General Fund of the state.
- 318 (b) The funds from this account shall be used for the construction, improvement,
319 operation, and maintenance of state-owned boating facilities and for the payment of
320 the costs and expenses of the Division of Outdoor Recreation in administering and
321 enforcing Title 73, Chapter 18, State Boating Act.
- 322 (7)(a) The United States government or any of its instrumentalities, this state, or a
323 political subdivision of this state that has purchased motor fuel from a licensed
324 distributor or from a retail dealer of motor fuel and has paid the tax on the motor fuel
325 as provided in this section is entitled to a refund of the tax and may file with the
326 commission for a quarterly refund.
- 327 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
328 commission shall make rules governing the application and refund provided for in
329 Subsection (7)(a).
- 330 (8)(a) The commission shall refund annually into the Off-highway Vehicle Account in
331 the General Fund an amount equal to .5% of the motor fuel tax revenues collected
332 under this section.
- 333 (b) This amount shall be used as provided in Section 41-22-19.
- 334 (9)(a) [~~Beginning on April 1, 2001, a~~] A tax imposed under this section on motor fuel
335 that is sold, used, or received for sale or use in this state is reduced to the extent

- 336 provided in Subsection (9)(b) if:
- 337 (i) a tax imposed on the basis of the sale, use, or receipt for sale or use of the motor
338 fuel is paid to the Navajo Nation;
- 339 (ii) the tax described in Subsection (9)(a)(i) is imposed without regard to whether [~~or~~
340 ~~not~~]the person required to pay the tax is an enrolled member of the Navajo
341 Nation; and
- 342 (iii) the commission and the Navajo Nation execute and maintain an agreement as
343 provided in this Subsection (9) for the administration of the reduction of tax.
- 344 (b)(i) If but for Subsection (9)(a) the motor fuel is subject to a tax imposed by this
345 section:
- 346 (A) the state shall be paid the difference described in Subsection (9)(b)(ii) if that
347 difference is greater than \$0; and
- 348 (B) a person may not require the state to provide a refund, a credit, or similar tax
349 relief if the difference described in Subsection (9)(b)(ii) is less than or equal to
350 \$0.
- 351 (ii) The difference described in Subsection (9)(b)(i) is equal to the difference between:
- 352 (A) the amount of tax imposed on the motor fuel by this section; less
353 (B) the tax imposed and collected by the Navajo Nation on the motor fuel.
- 354 (c) For purposes of Subsections (9)(a) and (b), the tax paid to the Navajo Nation under a
355 tax imposed by the Navajo Nation on the basis of the sale, use, or receipt for sale or
356 use of motor fuel does not include any interest or penalties a taxpayer may be
357 required to pay to the Navajo Nation.
- 358 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
359 commission shall make rules governing the procedures for administering the
360 reduction of tax provided under this Subsection (9).
- 361 (e) The agreement required under Subsection (9)(a):
- 362 (i) may not:
- 363 (A) authorize the state to impose a tax in addition to a tax imposed under this
364 chapter;
- 365 (B) provide a reduction of taxes greater than or different from the reduction
366 described in this Subsection (9); or
- 367 (C) affect the power of the state to establish rates of taxation;
- 368 (ii) shall:
- 369 (A) be in writing;

- 370 (B) be signed by[~~;~~]
 371 [~~(H)~~] the chair of the commission or the chair's designee[~~;~~] , and
 372 [~~(H)~~] a person designated by the Navajo Nation that may bind the Navajo
 373 Nation;
 374 (C) be conditioned on obtaining any approval required by federal law;
 375 (D) state the effective date of the agreement; and
 376 (E) state any accommodation the Navajo Nation makes related to the construction
 377 and maintenance of state highways and other infrastructure within the Utah
 378 portion of the Navajo Nation; and
 379 (iii) may:
 380 (A) notwithstanding Section 59-1-403, authorize the commission to disclose to the
 381 Navajo Nation information that is[~~;~~]
 382 [~~(H)~~] contained in a document filed with the commission[~~;~~] , and
 383 [~~(H)~~] related to the tax imposed under this section;
 384 (B) provide for maintaining records by the commission or the Navajo Nation; or
 385 (C) provide for inspections or audits of distributors, carriers, or retailers located or
 386 doing business within the Utah portion of the Navajo Nation.
 387 (f)(i) If[~~, on or after April 1, 2001,~~] the Navajo Nation changes the tax rate of a tax
 388 imposed on motor fuel, any change in the reduction of taxes under this Subsection
 389 (9) as a result of the change in the tax rate is not effective until the first day of the
 390 calendar quarter after a 60-day period beginning on the date the commission
 391 receives notice:
 392 (A) from the Navajo Nation; and
 393 (B) meeting the requirements of Subsection (9)(f)(ii).
 394 (ii) The notice described in Subsection (9)(f)(i) shall state:
 395 (A) that the Navajo Nation has changed or will change the tax rate of a tax
 396 imposed on motor fuel;
 397 (B) the effective date of the rate change of the tax described in Subsection
 398 (9)(f)(ii)(A); and
 399 (C) the new rate of the tax described in Subsection (9)(f)(ii)(A).
 400 (g) If the agreement required by Subsection (9)(a) terminates, a reduction of tax is not
 401 permitted under this Subsection (9) beginning on the first day of the calendar quarter
 402 after a 30-day period beginning on the day the agreement terminates.
 403 (h) If there is a conflict between this Subsection (9) and the agreement required by

404 Subsection (9)(a), this Subsection (9) governs.

405 Section 6. Section **59-13-301** is amended to read:

406 **59-13-301 . Tax basis -- Rate -- Exemptions -- Revenue deposited with treasurer**
 407 **and credited to Transportation Fund -- Reduction of tax in limited circumstances.**

408 (1)(a) Except as provided in Subsections (1)(b), (2), (3), (11), and (12) and Section [
 409 59-13-304] 59-13-301.5, a tax is imposed at the same rate imposed under Subsection
 410 59-13-201(1)(a) on the:

- 411 (i) removal of undyed diesel fuel from any refinery;
- 412 (ii) removal of undyed diesel fuel from any terminal;
- 413 (iii) entry into the state of any undyed diesel fuel for consumption, use, sale, or
 414 warehousing;
- 415 (iv) sale of undyed diesel fuel to any person who is not registered as a supplier under
 416 this part unless the tax has been collected under this section;
- 417 (v) any untaxed special fuel blended with undyed diesel fuel; or
- 418 (vi) use of untaxed special fuel other than propane or electricity.

419 (b) For the special fuel tax rate beginning on July 1, 2026, and ending on December 31,
 420 2026:

- 421 (i) the adjustment described in Subsection 59-13-201(1)(a)(ii) does not apply; and
- 422 (ii) the commission shall apply the same rate in place as of January 1, 2026.

423 ~~[(b)]~~ (c) The tax imposed under this section shall only be imposed once upon any special
 424 fuel.

425 (2)(a) No special fuel tax is imposed or collected upon dyed diesel fuel which:

- 426 (i) is sold or used for any purpose other than to operate or propel a motor vehicle
 427 upon the public highways of the state, but this exemption applies only in those
 428 cases where the purchasers or the users of special fuel establish to the satisfaction
 429 of the commission that the special fuel was used for purposes other than to operate
 430 a motor vehicle upon the public highways of the state; or
- 431 (ii) is sold to this state or any of its political subdivisions.

432 (b) No special fuel tax is imposed on undyed diesel fuel or clean fuel that is:

- 433 (i) sold to the United States government or any of its instrumentalities or to this state
 434 or any of its political subdivisions;
- 435 (ii) exported from this state if proof of actual exportation on forms prescribed by the
 436 commission is made within 180 days after exportation;
- 437 (iii) used in a vehicle off-highway;

- 438 (iv) used to operate a power take-off unit of a vehicle;
- 439 (v) used for off-highway agricultural uses;
- 440 (vi) used in a separately fueled engine on a vehicle that does not propel the vehicle
- 441 upon the highways of the state; or
- 442 (vii) used in machinery and equipment not registered and not required to be
- 443 registered for highway use.
- 444 (3) No tax is imposed or collected on special fuel if it is:
- 445 (a)(i) purchased for business use in machinery and equipment not registered and not
- 446 required to be registered for highway use; and
- 447 (ii) used [~~pursuant to~~] in accordance with the conditions of a state implementation
- 448 plan approved under Title 19, Chapter 2, Air Conservation Act; or
- 449 (b) propane or electricity.
- 450 (4) Upon request of a buyer meeting the requirements under Subsection (3), the Division of
- 451 Air Quality shall issue an exemption certificate that may be shown to a seller.
- 452 (5) The special fuel tax shall be paid by the supplier.
- 453 (6)(a) The special fuel tax shall be paid by every user who is required by Sections
- 454 59-13-303 and 59-13-305 to obtain a special fuel user permit and file special fuel tax
- 455 reports.
- 456 (b) The user shall receive a refundable credit for special fuel taxes paid on purchases
- 457 which are delivered into vehicles and for which special fuel tax liability is reported.
- 458 (7)(a) Except as provided under Subsections (7)(b) and (c), all revenue received by the
- 459 commission from taxes and license fees under this part shall be deposited daily with
- 460 the state treasurer and credited to the Transportation Fund.
- 461 (b) An appropriation from the Transportation Fund shall be made to the commission to
- 462 cover expenses incurred in the administration and enforcement of this part and the
- 463 collection of the special fuel tax.
- 464 (c) Five dollars of each special fuel user trip permit fee paid under Section 59-13-303
- 465 may be used by the commission as a dedicated credit to cover the costs of electronic
- 466 credentialing as provided in Section 41-1a-303.
- 467 (8) The commission may either collect no tax on special fuel exported from the state or,
- 468 upon application, refund the tax paid.
- 469 (9)(a) The United States government or any of its instrumentalities, this state, or a
- 470 political subdivision of this state that has purchased special fuel from a supplier or
- 471 from a retail dealer of special fuel and has paid the tax on the special fuel as provided

472 in this section is entitled to a refund of the tax and may file with the commission for a
473 quarterly refund in a manner prescribed by the commission.

474 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
475 commission shall make rules governing the application and refund provided for in
476 Subsection (9)(a).

477 (10)(a) The purchaser shall pay the tax on diesel fuel or clean fuel purchased for uses
478 under Subsections (2)(b)(i), (iii), (iv), (v), (vi), and (vii) and apply for a refund for the
479 tax paid as provided in Subsection (9) and this Subsection (10).

480 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
481 commission shall make rules governing the application and refund for off-highway
482 and nonhighway uses provided under Subsections (2)(b)(iii), (iv), (vi), and (vii).

483 (c) A refund of tax paid under this part on diesel fuel used for nonhighway agricultural
484 uses shall be made in accordance with the tax return procedures under Section
485 59-13-202.

486 (11)(a) [~~Beginning on April 1, 2001, a~~] A tax imposed under this section on special fuel
487 is reduced to the extent provided in Subsection (11)(b) if:

- 488 (i) the Navajo Nation imposes a tax on the special fuel;
- 489 (ii) the tax described in Subsection (11)(a)(i) is imposed without regard to whether
490 the person required to pay the tax is an enrolled member of the Navajo Nation; and
- 491 (iii) the commission and the Navajo Nation execute and maintain an agreement as
492 provided in this Subsection (11) for the administration of the reduction of tax.

493 (b)(i) If but for Subsection (11)(a) the special fuel is subject to a tax imposed by this
494 section:

- 495 (A) the state shall be paid the difference described in Subsection (11)(b)(ii) if that
496 difference is greater than \$0; and
- 497 (B) a person may not require the state to provide a refund, a credit, or similar tax
498 relief if the difference described in Subsection (11)(b)(ii) is less than or equal
499 to \$0.

500 (ii) The difference described in Subsection (11)(b)(i) is equal to the difference
501 between:

- 502 (A) the amount of tax imposed on the special fuel by this section; less
- 503 (B) the tax imposed and collected by the Navajo Nation on the special fuel.

504 (c) For purposes of Subsections (11)(a) and (b), the tax paid to the Navajo Nation on the
505 special fuel does not include any interest or penalties a taxpayer may be required to

- 506 pay to the Navajo Nation.
- 507 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 508 commission shall make rules governing the procedures for administering the
- 509 reduction of tax provided under this Subsection (11).
- 510 (e) The agreement required under Subsection (11)(a):
- 511 (i) may not:
- 512 (A) authorize the state to impose a tax in addition to a tax imposed under this
- 513 chapter;
- 514 (B) provide a reduction of taxes greater than or different from the reduction
- 515 described in this Subsection (11); or
- 516 (C) affect the power of the state to establish rates of taxation;
- 517 (ii) shall:
- 518 (A) be in writing;
- 519 (B) be signed by[:]
- 520 [(H)] the chair of the commission or the chair's designee[;] , and
- 521 [(H)] a person designated by the Navajo Nation that may bind the Navajo
- 522 Nation;
- 523 (C) be conditioned on obtaining any approval required by federal law;
- 524 (D) state the effective date of the agreement; and
- 525 (E) state any accommodation the Navajo Nation makes related to the construction
- 526 and maintenance of state highways and other infrastructure within the Utah
- 527 portion of the Navajo Nation; and
- 528 (iii) may:
- 529 (A) notwithstanding Section 59-1-403, authorize the commission to disclose to the
- 530 Navajo Nation information that is[:]
- 531 [(H)] contained in a document filed with the commission[;] , and
- 532 [(H)] related to the tax imposed under this section;
- 533 (B) provide for maintaining records by the commission or the Navajo Nation; or
- 534 (C) provide for inspections or audits of suppliers, distributors, carriers, or retailers
- 535 located or doing business within the Utah portion of the Navajo Nation.
- 536 (f)(i) If[~~on or after April 1, 2001,~~] the Navajo Nation changes the tax rate of a tax
- 537 imposed on special fuel, any change in the amount of the reduction of taxes under
- 538 this Subsection (11) as a result of the change in the tax rate is not effective until
- 539 the first day of the calendar quarter after a 60-day period beginning on the date the

- 540 commission receives notice:
- 541 (A) from the Navajo Nation; and
- 542 (B) meeting the requirements of Subsection (11)(f)(ii).
- 543 (ii) The notice described in Subsection (11)(f)(i) shall state:
- 544 (A) that the Navajo Nation has changed or will change the tax rate of a tax
- 545 imposed on special fuel;
- 546 (B) the effective date of the rate change of the tax described in Subsection
- 547 (11)(f)(ii)(A); and
- 548 (C) the new rate of the tax described in Subsection (11)(f)(ii)(A).
- 549 (g) If the agreement required by Subsection (11)(a) terminates, a reduction of tax is not
- 550 permitted under this Subsection (11) beginning on the first day of the calendar
- 551 quarter after a 30-day period beginning on the day the agreement terminates.
- 552 (h) If there is a conflict between this Subsection (11) and the agreement required by
- 553 Subsection (11)(a), this Subsection (11) governs.
- 554 (12)(a)(i) [~~Subject~~] Beginning on January 1, 2026, and subject to Subsections
- 555 (12)(a)(ii) and (iii), a tax imposed under this section on compressed natural gas is
- 556 imposed at a rate of[~~±~~] \$0.212 per gallon equivalent.
- 557 [~~(A) until June 30, 2016, 10-1/2 cents per gasoline gallon equivalent;~~]
- 558 [~~(B) beginning on July 1, 2016, and until June 30, 2017, 12-1/2 cents per gasoline~~
- 559 ~~gallon equivalent;~~]
- 560 [~~(C) beginning on July 1, 2017, and until June 30, 2018, 14-1/2 cents per gasoline~~
- 561 ~~gallon equivalent; and]~~
- 562 [~~(D) beginning on or after July 1, 2018, 16-1/2 cents per gasoline gallon~~
- 563 ~~equivalent.]~~
- 564 (ii) Beginning on January 1, [2020] 2027, the commission shall, on January 1,
- 565 annually adjust the rate of a tax imposed under this section on compressed natural
- 566 gas by taking the rate for the previous calendar year and adding an amount equal
- 567 to the greater of:
- 568 (A) an amount calculated by multiplying the rate of a tax imposed under this
- 569 section on compressed natural gas for the previous calendar year by the actual
- 570 percent change during the previous fiscal year in the Consumer Price Index; and
- 571 (B) 0.
- 572 (iii) The rate of a tax imposed under this section on compressed natural gas
- 573 determined by the commission under Subsection (12)(a)(ii) may not exceed 22-1/2

574 cents per gasoline gallon equivalent.

575 (b)(i) [~~Subject-] Beginning on January 1, 2026, and subject to Subsections (12)(b)(ii)~~
 576 and (iii), a tax imposed under this section on liquified natural gas is imposed at a
 577 rate of[~~:] \$0.212 per gallon equivalent.~~

578 [~~(A) until June 30, 2016, 10-1/2 cents per diesel gallon equivalent;]~~

579 [~~(B) beginning on July 1, 2016, and until June 30, 2017, 12-1/2 cents per diesel~~
 580 ~~gallon equivalent;]~~

581 [~~(C) beginning on July 1, 2017, and until June 30, 2018, 14-1/2 cents per diesel~~
 582 ~~gallon equivalent; and]~~

583 [~~(D) beginning on or after July 1, 2018, 16-1/2 cents per diesel gallon equivalent.]~~

584 (ii) Beginning on January 1, [2020] 2027, the commission shall, on January 1,
 585 annually adjust the rate of a tax imposed under this section on liquified natural gas
 586 by taking the rate for the previous calendar year and adding an amount equal to
 587 the greater of:

588 (A) an amount calculated by multiplying the rate of a tax imposed under this
 589 section on liquified natural gas for the previous calendar year by the actual
 590 percent change during the previous fiscal year in the Consumer Price Index; and

591 (B) 0.

592 (iii) The rate of a tax imposed under this section on liquified natural gas determined
 593 by the commission under Subsection (12)(b)(ii) may not exceed 22-1/2 cents per
 594 diesel gallon equivalent.

595 (c)(i) [~~Subject] Beginning on January 1, 2026, and subject to Subsections (12)(c)(ii)~~
 596 and (iii), a tax imposed under this section on hydrogen used to operate or propel a
 597 motor vehicle upon the public highways of the state is imposed at a rate of[~~:]~~
 598 \$0.212 per gallon equivalent.

599 [~~(A) until June 30, 2016, 10-1/2 cents per gasoline gallon equivalent;]~~

600 [~~(B) beginning on July 1, 2016, and until June 30, 2017, 12-1/2 cents per gasoline~~
 601 ~~gallon equivalent;]~~

602 [~~(C) beginning on July 1, 2017, and until June 30, 2018, 14-1/2 cents per gasoline~~
 603 ~~gallon equivalent; and]~~

604 [~~(D) beginning on or after July 1, 2018, 16-1/2 cents per gasoline gallon~~
 605 ~~equivalent.]~~

606 (ii) Beginning on January 1, [2020] 2027, the commission shall, on January 1,
 607 annually adjust the rate of a tax imposed under this section on hydrogen used to

608 operate or propel a motor vehicle upon the public highways of the state by taking
 609 the rate for the previous calendar year and adding an amount equal to the greater
 610 of:

611 (A) an amount calculated by multiplying the rate of a tax imposed under this
 612 section on hydrogen used to operate or propel a motor vehicle upon the public
 613 highways of the state for the previous calendar year by the actual percent
 614 change during the previous fiscal year in the Consumer Price Index; and
 615 (B) 0.

616 (iii) The rate of a tax imposed under this section on hydrogen used to operate or
 617 propel a motor vehicle upon the public highways of the state determined by the
 618 commission under Subsection (12)(c)(ii) may not exceed 22-1/2 cents per gasoline
 619 gallon equivalent.

620 (d)(i) The commission shall annually:

621 (A) adjust the fuel tax rates imposed under Subsections (12)(a)(ii), (b)(ii), and
 622 (c)(ii), rounded to the nearest one-tenth of a cent;

623 (B) publish the adjusted fuel tax as a cents per gallon rate; and

624 (C) post or otherwise make public the adjusted fuel tax rate as determined in
 625 Subsection (12)(d)(i)(A) no later than 60 days ~~[prior to]~~ before the annual
 626 effective date under Subsection (12)(d)(ii).

627 (ii) The tax rates imposed under this Subsection (12) and adjusted as required under
 628 Subsection (12)(d)(i) shall take effect on January 1 of each year.

629 Section 7. Section **63I-2-259** is amended to read:

630 **63I-2-259 . Repeal dates: Title 59.**

631 (1) Subsection 59-7-159(3)(b)(iii), referencing Section 59-7-614.10, is repealed December
 632 31, 2026.

633 (2) Section 59-7-614.10, Nonrefundable enterprise zone tax credit, is repealed December
 634 31, 2026.

635 (3) Subsection 59-10-137(3)(b)(viii), referencing Section 59-10-1037, is repealed
 636 December 31, 2026.

637 (4) Section 59-10-1037, Nonrefundable enterprise zone tax credit, is repealed December 31,
 638 2026.

639 (5) Subsections 59-13-201(1)(a)(ii) and 59-13-301(1)(b), regarding the temporary
 640 application of a motor fuel tax rate between July 1, 2026, and December 31, 2026, are
 641 repealed on January 1, 2027.

642 [~~(5)~~] (6) Subsection 59-14-807(3)(a)(iii), regarding the Youth Electronic Cigarette,
643 Marijuana, and Other Drug Prevention Committee, is repealed July 1, 2030.

644 [~~(6)~~] (7) Subsection 59-14-807(4)(b), regarding the Youth Electronic Cigarette, Marijuana,
645 and Other Drug Prevention Committee, is repealed July 1, 2030.

646 [~~(7)~~] (8) Section 59-24-103.8, Radioactive waste facility expansion tax -- Payment --
647 Deposit of tax revenue, is repealed July 1, 2026.

648 Section 8. Section **72-5-501** is enacted to read:

649 **72-5-501 . Definitions.**

650 As used in this part:

651 (1) "Common carrier pipeline" is a pipeline engaged in the transportation of petroleum
652 products, including refined products, that holds itself out to provide transportation
653 service to the public for compensation on reasonable terms.

654 (2) "Finished product pipeline" means a common carrier pipeline and related facilities used
655 to transport refined petroleum products, renewables, or other finished energy products.

656 Section 9. Section **72-5-502** is enacted to read:

657 **72-5-502 . Pipeline right-of-way cooperation.**

658 If a proposed route for a finished product pipeline crosses a state or federal highway, the
659 department shall cooperate with and assist the pipeline proponent in negotiating and siting of
660 the highway-pipeline intersection.

661 Section 10. Section **79-6-410** is enacted to read:

662 **79-6-410 . Refinery production report.**

663 (1) As used in this section:

664 (a) "Barrel" means an amount equal to 42 gallons of oil at atmospheric pressure and at a
665 temperature of 60 degrees Fahrenheit.

666 (b) "Crude oil" means hydrocarbons, regardless of gravity, that occur naturally in the
667 gaseous phase in the reservoir and are separated from the natural gas as liquids
668 through the process of condensation either in the reservoir, in the wellbore, or at the
669 surface infield separators.

670 (c) "Finished petroleum product" means a product resulting from petroleum refining,
671 including gasoline, diesel fuel, jet fuel, kerosene, fuel oils, lubricating oils, asphalt,
672 petroleum coke, liquefied petroleum gases, and other products derived from the
673 refining process.

674 (d) "Petroleum refined" means the volume of crude oil and unfinished petroleum
675 products introduced into the refining process.

- 676 (e) "Refine" means the industrial process of converting crude oil or unfinished
 677 petroleum products into finished petroleum products through distillation, cracking,
 678 reforming, blending, or other chemical or physical processes.
- 679 (f) "Refiner" means a person that owns, operates, or controls a refinery.
- 680 (g) "Refinery" means a facility located in this state at which petroleum refining is
 681 conducted, including processing units, storage facilities, and associated infrastructure
 682 under common ownership or operational control at a single geographic location or
 683 integrated complex.
- 684 (2) Beginning July 1, 2026, and quarterly thereafter, a refiner shall provide to the office a
 685 report that includes:
- 686 (a) the total number of barrels of crude oil refined at the refinery in the previous calendar
 687 quarter;
- 688 (b) the total quantity of the products derived and produced from refining at the refinery
 689 in the previous calendar quarter;
- 690 (c) the total quantity of finished petroleum products, itemized by type, that arrived at the
 691 refinery or terminal in the previous calendar quarter; and
- 692 (d) the total quantity of finished petroleum products, itemized by type, that leave the
 693 refinery or terminal.
- 694 (3) The office shall compile the data received in the report described in Subsection (2) for
 695 each refiner.

696 Section 11. Section **79-6-602** is amended to read:

697 **79-6-602 . Definitions.**

698 As used in this part:

- 699 (1) "Applicant" means a person that conducts business in the state and that applies for a tax
 700 credit under this part.
- 701 (2)(a) "District energy system" means equipment and facilities that:
- 702 (i) use one or more thermal energy sources to provide:
- 703 (A) space heating;
- 704 (B) hot water; or
- 705 (C) space cooling; and
- 706 (ii) deliver services through a distribution system.
- 707 (b) "District energy system" includes:
- 708 (i) plants;
- 709 (ii) equipment;

- 710 (iii) distribution piping;
- 711 (iv) apparatus; and
- 712 (v) other facilities used to provide space heating, hot water, or space cooling.
- 713 (3)(a) "Energy delivery project" means a project that is designed to:
- 714 (i) increase the capacity for the delivery of energy to a user of energy inside or
- 715 outside the state;
- 716 (ii) increase the capability of an existing energy delivery system or related facility to
- 717 deliver energy to a user of energy inside or outside the state;
- 718 (iii) increase the production and delivery of geothermal energy through horizontal
- 719 drilling to create injection and production wells; [or]
- 720 (iv) increase the capacity for recovery of thermal energy for a heating or cooling
- 721 system through a district energy system[-] ; or
- 722 (v) increase storage capacity of refined hydrocarbon products.
- 723 (b) "Energy delivery project" includes:
- 724 (i) a hydroelectric energy storage system;
- 725 (ii) a utility-scale battery storage system;
- 726 (iii) a nuclear power generation system; [or]
- 727 (iv) a district energy system[-] ; or
- 728 (v) development of a pipeline and related infrastructure for transmission of refined
- 729 hydrocarbons for storage in a solution-mined subsurface salt cavern.
- 730 (4) "Emissions reduction project" means a project that is designed to reduce the emissions
- 731 of an existing electrical generation facility, refinery, smelter, kiln, mineral processing
- 732 facility, manufacturing facility, oil or gas production facility, or other industrial facility,
- 733 by utilizing selective catalytic reduction technology, carbon capture utilization and
- 734 sequestration technology, or any other emissions reduction technology or equipment.
- 735 (5) "Fuel standard compliance project" means a project designed to retrofit a fuel refinery in
- 736 order to make the refinery capable of producing fuel that complies with the United
- 737 States Environmental Protection Agency's Tier 3 gasoline sulfur standard described in
- 738 40 C.F.R. Sec. 79.54.
- 739 (6) "High cost infrastructure project" means:
- 740 (a) for an energy delivery project, fuel standard compliance project, mineral processing
- 741 project, or underground mine infrastructure project, a project:
- 742 (i)(A) that expands or creates new industrial, mining, manufacturing, or
- 743 agriculture activity in the state, not including a retail business;

- 744 (B) that involves new investment of at least \$50,000,000 made by an existing
745 industrial, mining, manufacturing, or agriculture entity located within a county
746 of the first or second class;
- 747 (C) that involves new investment of at least \$25,000,000 made by an existing
748 industrial, mining, manufacturing, or agriculture entity located within a county
749 of the third, fourth, fifth, or sixth class, or a municipality with a population of
750 10,000 or less located within a county of the second class;
- 751 (D) that involves new investment of at least \$10,000,000 for the construction of a
752 plant or facility for thermal energy production of heating or cooling used in a
753 district energy system; or
- 754 (E) for the construction of a plant or other facility for the storage or production of
755 fuel used for transportation, electricity generation, or industrial use;
- 756 (ii) that requires or is directly facilitated by infrastructure construction; and
757 (iii) for which the cost of infrastructure construction to the entity creating the project
758 is greater than:
- 759 (A) 10% of the total cost of the project; or
760 (B) \$10,000,000; and
- 761 (b) for an emissions reduction project, water purification project, or water resource
762 forecasting project, a project:
- 763 (i) that involves:
- 764 (A) new investment of at least \$50,000,000 made by an existing industrial,
765 mining, manufacturing, or agriculture entity located within a county of the first
766 or second class; or
- 767 (B) new investment of at least \$25,000,000 made by an existing industrial,
768 mining, manufacturing, or agriculture entity located within a county of the
769 third, fourth, fifth, or sixth class, or a municipality with a population of 10,000
770 or less located within a county of the second class; and
- 771 (ii) that requires or is directly facilitated by infrastructure construction.
- 772 (7) "Infrastructure" means:
- 773 (a) an energy delivery project;
774 (b) a railroad as defined in Section 54-2-1;
775 (c) a fuel standard compliance project;
776 (d) a road improvement project;
777 (e) a water self-supply project;

- 778 (f) a water removal system project;
- 779 (g) a solution-mined subsurface salt cavern;
- 780 (h) a project that is designed to:
- 781 (i) increase the capacity for water delivery to a water user in the state; or
- 782 (ii) increase the capability of an existing water delivery system or related facility to
- 783 deliver water to a water user in the state;
- 784 (i) an underground mine infrastructure project;
- 785 (j) an emissions reduction project;
- 786 (k) a mineral processing project;
- 787 (l) a district energy system project;
- 788 (m) a water purification project; or
- 789 (n) a water resource forecasting project.
- 790 (8)(a) "Infrastructure cost-burdened entity" means an applicant that enters into an
- 791 agreement with the office that qualifies the applicant to receive a tax credit as
- 792 provided in this part.
- 793 (b) "Infrastructure cost-burdened entity" includes a pass-through entity taxpayer, as
- 794 defined in Section 59-10-1402, of a person described in Subsection (8)(a).
- 795 (9) "Infrastructure-related revenue" means an amount of tax revenue, for an entity creating
- 796 a high cost infrastructure project, in a taxable year, that is directly attributable to a high
- 797 cost infrastructure project, under:
- 798 (a) Subsection 59-24-103.5(2)(e);
- 799 (b) Title 59, Chapter 5, Part 1, Oil and Gas Severance Tax;
- 800 (c) Title 59, Chapter 5, Part 2, Mining Severance Tax;
- 801 (d) Title 59, Chapter 7, Corporate Franchise and Income Taxes;
- 802 (e) Title 59, Chapter 10, Individual Income Tax Act; and
- 803 (f) Title 59, Chapter 12, Sales and Use Tax Act.
- 804 (10) "Mineral processing project" means a project that is designed to:
- 805 (a) process, smelt, refine, convert, separate, or otherwise beneficiate metalliferous
- 806 minerals as defined in Section 59-5-201 or a metalliferous compound as defined in
- 807 Section 59-5-202;
- 808 (b) calcine limestone or manufacture cement;
- 809 (c) process, refine, or otherwise beneficiate chloride compounds, salts, potash, gypsum,
- 810 sulfur or sulfuric acid, ammonium nitrate, phosphate, or uintaite; or
- 811 (d) convert or gasify coal to recover chemical compounds, gases, or minerals.

- 812 (11) "Office" means the Office of Energy Development created in Section 79-6-401.
- 813 (12) "Tax credit" means a tax credit under Section 59-5-305, 59-7-619, or 59-10-1034.
- 814 (13) "Tax credit certificate" means a certificate issued by the office to an infrastructure
- 815 cost-burdened entity that:
- 816 (a) lists the name of the infrastructure cost-burdened entity;
- 817 (b) lists the infrastructure cost-burdened entity's taxpayer identification number;
- 818 (c) lists, for a taxable year, the amount of the tax credit authorized for the infrastructure
- 819 cost-burdened entity under this part; and
- 820 (d) includes other information as determined by the office.
- 821 (14)(a) "Underground mine infrastructure project" means a project that:
- 822 (i) is designed to create permanent underground infrastructure to facilitate
- 823 underground mining operations; and
- 824 (ii) services multiple levels or areas of an underground mine or multiple underground
- 825 mines.
- 826 (b) "Underground mine infrastructure project" includes:
- 827 (i) an underground access or a haulage road, entry, ramp, or decline;
- 828 (ii) a vertical or incline mine shaft;
- 829 (iii) a ventilation shaft or an air course; or
- 830 (iv) a conveyor or a truck haulageway.
- 831 (15) "Water purification project" means a project that, in order to meet applicable quality
- 832 standards established under Title 19, Chapter 5, Water Quality Act, is designed to reduce
- 833 the existing total dissolved solids or other naturally existing impurities contained in
- 834 water sources:
- 835 (a) located at a distance of not less than 2,000 feet below the surface;
- 836 (b) associated with existing mineral operations; or
- 837 (c) associated with deep water mining operations designed primarily for the
- 838 revitalization of the Great Salt Lake.
- 839 (16) "Water resource forecasting project" means a project that includes a network of
- 840 permanent physical data collection systems designed to improve forecasting for the
- 841 availability of seasonal water flows within the state, including flash flooding and other
- 842 event-driven water flows resulting from localized severe weather events.

843 Section 12. **Effective Date.**

844 This bill takes effect on May 6, 2026.