

1 **Road Funding Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Emily Buss**

House Sponsor:

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3 **LONG TITLE**4 **General Description:**5 This bill amends the minimum average rack price of motor fuel for purposes of calculating  
6 fuel tax rates.7 **Highlighted Provisions:**

8 This bill:

9 ▶ amends the minimum average rack price of motor fuel for purposes of calculating fuel tax  
10 rates.11 **Money Appropriated in this Bill:**

12 None

13 **Other Special Clauses:**

14 None

15 **Utah Code Sections Affected:**16 **AMENDS:**17 **59-13-201**, as last amended by Laws of Utah 2023, Chapter 464

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19 *Be it enacted by the Legislature of the state of Utah:*20 Section 1. Section **59-13-201** is amended to read:21 **59-13-201 . Rate -- Tax basis -- Exemptions -- Revenue deposited into the**  
22 **Transportation Fund -- Restricted account for boating uses -- Refunds -- Reduction of**  
23 **tax in limited circumstances.**

24 (1)(a)[(i)] Subject to the provisions of this section and except as provided in

25 Subsection (1)(e), a tax is imposed at the rate of 14.2% of the statewide average  
26 rack price of a gallon of motor fuel per gallon upon all motor fuel that is sold,  
27 used, or received for sale or used in this state.28 [(ii) Notwithstanding Subsection (1)(a)(i), for the period beginning on July 1, 2023,  
29 and ending on December 31, 2023, the rate described in Subsection (1)(a)(i) shall  
30 be 34.5 cents per gallon.]

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

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

43 (c)(i) Subject to the requirement in Subsection (1)(c)(ii), beginning on January 1,  
44 2027, the statewide average rack price of a gallon of motor fuel determined under  
45 Subsection (1)(b) may not be less than [\$1.78] \$2.39 per gallon.

46 (ii) Beginning on January 1, [2019] 2028, the commission shall, on January 1,  
47 annually adjust the minimum statewide average rack price of a gallon of motor  
48 fuel described in Subsection (1)(c)(i) by taking the minimum statewide average  
49 rack price of a gallon of motor fuel for the previous calendar year and adding an  
50 amount equal to the greater of:  
51 (A) an amount calculated by multiplying the minimum statewide average rack  
52 price of a gallon of motor fuel for the previous calendar year by the actual  
53 percent change during the previous fiscal year in the Consumer Price Index; and  
54 (B) 0.

55 (iii) The statewide average rack price of a gallon of motor fuel determined by the  
56 commission under Subsection (1)(b) may not exceed:  
57 [(A) for a calendar year beginning on January 1, 2024, \$2.57 per gallon;]  
58 [(B) for a calendar year beginning on January 1, 2025, \$2.71 per gallon;]  
59 [(C)] (A) for a calendar year beginning on January 1, 2026, \$2.82 per gallon; and  
60 [(D)] (B) for a calendar year beginning on January 1, 2028, and thereafter, \$2.96  
61 per gallon.

62 (iv) The minimum statewide average rack price of a gallon of motor fuel described  
63 and adjusted under Subsections (1)(c)(i) and (ii) may not exceed the maximum  
64 statewide average rack price of a gallon of motor fuel under Subsection (1)(c)(iii).

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

66 (A) determine the statewide average rack price of a gallon of motor fuel in  
67 accordance with Subsections (1)(b) and (c);

68 (B) adjust the fuel tax rate imposed under Subsection (1)(a), rounded to the  
69 nearest one-tenth of a cent, based on the determination under Subsection (1)(b);

70 (C) publish the adjusted fuel tax as a cents per gallon rate; and

71 (D) post or otherwise make public the adjusted fuel tax rate as determined in  
72 Subsection (1)(d)(i)(B) no later than 60 days before the annual effective date  
73 under Subsection (1)(d)(ii).

74 (ii) The tax rate imposed under this Subsection (1) and adjusted as required under  
75 Subsection (1)(d)(i) shall take effect on January 1 of each year.

76 (e) In lieu of the tax imposed under Subsection (1)(a) and subject to the provisions of  
77 this section, a tax is imposed at the rate of 3/19 of the rate imposed under Subsection  
78 (1)(a), rounded up to the nearest penny, upon all motor fuels that meet the definition  
79 of clean fuel in Section 59-13-102 and are sold, used, or received for sale or use in  
80 this state.

81 (2) Any increase or decrease in tax rate applies to motor fuel that is imported to the state or  
82 sold at refineries in the state on or after the effective date of the rate change.

83 (3)(a) No motor fuel tax is imposed upon:

84 (i) motor fuel that is brought into and sold in this state in original packages as purely  
85 interstate commerce sales;

86 (ii) motor fuel that is exported from this state if proof of actual exportation on forms  
87 prescribed by the commission is made within 180 days after exportation;

88 (iii) motor fuel or components of motor fuel that is sold and used in this state and  
89 distilled from coal, oil shale, rock asphalt, bituminous sand, or solid hydrocarbons  
90 located in this state; or

91 (iv) motor fuel that is sold to the United States government, this state, or the political  
92 subdivisions of this state.

93 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
94 commission shall make rules governing the procedures for administering the tax  
95 exemption provided under Subsection (3)(a)(iv).

96 (4) The commission may either collect no tax on motor fuel exported from the state or,  
97 upon application, refund the tax paid.

98 (5)(a) All revenue received by the commission under this part shall be deposited daily

99 with the state treasurer and credited to the Transportation Fund.

100 (b) An appropriation from the Transportation Fund shall be made to the commission to  
101 cover expenses incurred in the administration and enforcement of this part and the  
102 collection of the motor fuel tax.

103 (6)(a) The commission shall determine what amount of motor fuel tax revenue is  
104 received from the sale or use of motor fuel used in motorboats registered under Title  
105 73, Chapter 18, State Boating Act, and this amount shall be deposited into a restricted  
106 revenue account in the General Fund of the state.

107 (b) The funds from this account shall be used for the construction, improvement,  
108 operation, and maintenance of state-owned boating facilities and for the payment of  
109 the costs and expenses of the Division of Outdoor Recreation in administering and  
110 enforcing Title 73, Chapter 18, State Boating Act.

111 (7)(a) The United States government or any of its instrumentalities, this state, or a  
112 political subdivision of this state that has purchased motor fuel from a licensed  
113 distributor or from a retail dealer of motor fuel and has paid the tax on the motor fuel  
114 as provided in this section is entitled to a refund of the tax and may file with the  
115 commission for a quarterly refund.

116 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
117 commission shall make rules governing the application and refund provided for in  
118 Subsection (7)(a).

119 (8)(a) The commission shall refund annually into the Off-highway Vehicle Account in  
120 the General Fund an amount equal to .5% of the motor fuel tax revenues collected  
121 under this section.

122 (b) This amount shall be used as provided in Section 41-22-19.

123 (9)(a) Beginning on April 1, 2001, a tax imposed under this section on motor fuel that is  
124 sold, used, or received for sale or use in this state is reduced to the extent provided in  
125 Subsection (9)(b) if:

- 126 (i) a tax imposed on the basis of the sale, use, or receipt for sale or use of the motor  
127 fuel is paid to the Navajo Nation;
- 128 (ii) the tax described in Subsection (9)(a)(i) is imposed without regard to whether or  
129 not the person required to pay the tax is an enrolled member of the Navajo Nation;  
130 and
- 131 (iii) the commission and the Navajo Nation execute and maintain an agreement as  
132 provided in this Subsection (9) for the administration of the reduction of tax.

133 (b)(i) If but for Subsection (9)(a) the motor fuel is subject to a tax imposed by this  
134 section:

135 (A) the state shall be paid the difference described in Subsection (9)(b)(ii) if that  
136 difference is greater than \$0; and

137 (B) a person may not require the state to provide a refund, a credit, or similar tax  
138 relief if the difference described in Subsection (9)(b)(ii) is less than or equal to  
139 \$0.

140 (ii) The difference described in Subsection (9)(b)(i) is equal to the difference between:  
141 (A) the amount of tax imposed on the motor fuel by this section; less  
142 (B) the tax imposed and collected by the Navajo Nation on the motor fuel.

143 (c) For purposes of Subsections (9)(a) and (b), the tax paid to the Navajo Nation under a  
144 tax imposed by the Navajo Nation on the basis of the sale, use, or receipt for sale or  
145 use of motor fuel does not include any interest or penalties a taxpayer may be  
146 required to pay to the Navajo Nation.

147 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
148 commission shall make rules governing the procedures for administering the  
149 reduction of tax provided under this Subsection (9).

150 (e) The agreement required under Subsection (9)(a):

151 (i) may not:

152 (A) authorize the state to impose a tax in addition to a tax imposed under this  
153 chapter;

154 (B) provide a reduction of taxes greater than or different from the reduction  
155 described in this Subsection (9); or

156 (C) affect the power of the state to establish rates of taxation;

157 (ii) shall:

158 (A) be in writing;

159 (B) be signed by[:]

160 [(I)] the chair of the commission or the chair's designee[;], and

161 [(II)] a person designated by the Navajo Nation that may bind the Navajo  
162 Nation;

163 (C) be conditioned on obtaining any approval required by federal law;

164 (D) state the effective date of the agreement; and

165 (E) state any accommodation the Navajo Nation makes related to the construction  
166 and maintenance of state highways and other infrastructure within the Utah

167 portion of the Navajo Nation; and

168 (iii) may:

169 (A) notwithstanding Section 59-1-403, authorize the commission to disclose to the  
170 Navajo Nation information that is[:]

171 [H] contained in a document filed with the commission[:], and

172 [H] related to the tax imposed under this section;

173 (B) provide for maintaining records by the commission or the Navajo Nation; or

174 (C) provide for inspections or audits of distributors, carriers, or retailers located or  
175 doing business within the Utah portion of the Navajo Nation.

176 (f)(i) If, on or after April 1, 2001, the Navajo Nation changes the tax rate of a tax  
177 imposed on motor fuel, any change in the reduction of taxes under this Subsection  
178 (9) as a result of the change in the tax rate is not effective until the first day of the  
179 calendar quarter after a 60-day period beginning on the date the commission  
180 receives notice:

181 (A) from the Navajo Nation; and

182 (B) meeting the requirements of Subsection (9)(f)(ii).

183 (ii) The notice described in Subsection (9)(f)(i) shall state:

184 (A) that the Navajo Nation has changed or will change the tax rate of a tax  
185 imposed on motor fuel;

186 (B) the effective date of the rate change of the tax described in Subsection  
187 (9)(f)(ii)(A); and

188 (C) the new rate of the tax described in Subsection (9)(f)(ii)(A).

189 (g) If the agreement required by Subsection (9)(a) terminates, a reduction of tax is not  
190 permitted under this Subsection (9) beginning on the first day of the calendar quarter  
191 after a 30-day period beginning on the day the agreement terminates.

192 (h) If there is a conflict between this Subsection (9) and the agreement required by  
193 Subsection (9)(a), this Subsection (9) governs.

194 **Section 2. Effective Date.**

195 This bill takes effect on May 6, 2026.