

Effective 5/12/2015

Superseded 7/1/2016

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

- (1) As used in this section:
 - (a) "Board" means the Air Quality Board created under Title 19, Chapter 2, Air Conservation Act.
 - (b) "Heavy duty vehicle" means a commercial category 7 or 8 vehicle, according to vehicle classifications established by the Federal Highway Administration.
 - (c) "Natural gas" includes compressed natural gas and liquified natural gas.
 - (d) "Qualified heavy duty vehicle" means a heavy duty vehicle that:
 - (i) has never been titled or registered and has been driven less than 7,500 miles; and
 - (ii) is fueled by natural gas.
 - (e) "Qualified purchase" means the purchase of a qualified heavy duty vehicle.
 - (f) "Qualified taxpayer" means a taxpayer who:
 - (i) purchases a qualified heavy duty vehicle; and
 - (ii) receives a tax credit certificate from the board.
 - (g) "Small fleet" means 40 or fewer heavy duty vehicles registered in the state and owned by a single taxpayer.
 - (h) "Tax credit certificate" means a certificate issued by the board certifying that a taxpayer is entitled to a tax credit as provided in this section and stating the amount of the tax credit.
- (2) For a taxable year beginning on or after January 1, 2015, a qualified taxpayer may claim a tax credit against tax otherwise due under this chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay Corporate Franchise or Income Tax Act:
 - (a) in an amount equal to:
 - (i) \$25,000, if the qualified purchase occurs during calendar year 2015, calendar year 2016, or calendar year 2017;
 - (ii) \$20,000, if the qualified purchase occurs during calendar year 2018;
 - (iii) \$18,000, if the qualified purchase occurs during calendar year 2019; and
 - (iv) \$15,000, if the qualified purchase occurs during calendar year 2020; and
 - (b) if the taxpayer certifies under oath that over 50% of the miles that the heavy duty vehicle that is the subject of the qualified purchase will travel annually will be within the state.
- (3)
 - (a) Except as provided in Subsection (3)(b), a taxpayer may not submit an application for, and the board may not issue to the taxpayer, a tax credit certificate under this section in any taxable year for a qualifying purchase if the board has already issued tax credit certificates to the taxpayer for 10 qualifying purchases in the same taxable year.
 - (b) If, by May 1 of any year, more than 30% of the aggregate annual total amount of tax credits under Subsection (5) has not been claimed, a taxpayer may submit an application for, and the board may issue to the taxpayer, one or more tax credit certificates for up to eight additional qualifying purchases, even if the board has already issued to that taxpayer tax credit certificates for the maximum number of qualifying purchases allowed under Subsection (3)(a).
- (4)
 - (a) Subject to Subsection (4)(b), the board shall reserve 25% of all tax credits available under this section for taxpayers with a small fleet.
 - (b) Subsection (4)(a) does not prevent a taxpayer from submitting an application for, or the board from issuing, a tax credit certificate if the amount reserved under Subsection (4)(a) for taxpayers with a small fleet has not been claimed by a date that is 90 days before the end of the year.

- (5)
 - (a) The aggregate annual total amount of tax credits represented by tax credit certificates that the board issues under this section, when combined with the aggregate annual total amount of tax credits represented by tax credit certificates that the board issues under Section 59-10-1033, may not exceed \$500,000.
 - (b) The board shall, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules to establish a process whereby a taxpayer may reserve a potential tax credit under this section for a limited time to allow the taxpayer to make a qualifying purchase with the assurance that the aggregate limit under Subsection (5)(a) will not be met before the taxpayer is able to submit an application for a tax credit certificate.
- (6)
 - (a)
 - (i) A taxpayer wishing to claim a tax credit under this section shall, using forms the board requires by rule:
 - (A) submit to the board an application for a tax credit;
 - (B) provide the board proof of a qualifying purchase; and
 - (C) submit to the board the certification under oath required under Subsection (2)(b).
 - (ii) Upon receiving the application, proof, and certification required under Subsection (6)(a)
 - (i), the board shall provide the taxpayer a written statement from the board acknowledging receipt of the proof.
 - (b) If the board determines that a taxpayer qualifies for a tax credit under this section, the board shall:
 - (i) determine the amount of tax credit the taxpayer is allowed under this section; and
 - (ii) provide the qualifying taxpayer with a written tax credit certificate:
 - (A) stating that the taxpayer has qualified for a tax credit; and
 - (B) showing the amount of tax credit for which the taxpayer has qualified under this section.
 - (c) A taxpayer shall retain the tax credit certificate.
 - (d) The board shall at least annually submit to the commission a list of all taxpayers to whom the board has issued a tax credit certificate and the amount of each tax credit represented by the tax credit certificates.
- (7) The tax credit under this section is allowed only:
 - (a) against a tax owed under this chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay Corporate Franchise or Income Tax Act, in the taxable year by the qualified taxpayer;
 - (b) for the taxable year in which the qualifying purchase occurs; and
 - (c) once per vehicle.
- (8) A qualifying taxpayer may not assign a tax credit or a tax credit certificate under this section to another person.
- (9) If the amount of a tax credit claimed by a qualifying taxpayer under this section exceeds the qualifying taxpayer's tax liability under this chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay Corporate Franchise or Income Tax Act, for a taxable year, the amount of the tax credit exceeding the tax liability may be carried forward for a period that does not exceed the next five taxable years.
- (10)
 - (a) In accordance with any rules prescribed by the commission under Subsection (10)(b), the commission shall transfer at least annually from the General Fund into the Education Fund the aggregate amount of all tax credits claimed under this section.

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