

1 **SPECIAL FUEL TAX CERTIFICATE REPEAL**

2 1998 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: David H. Steele**

5 AN ACT RELATING TO REVENUE AND TAXATION; REPEALING THE CLEAN SPECIAL
6 FUEL TAX CERTIFICATE PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

7 This act affects sections of Utah Code Annotated 1953 as follows:

8 AMENDS:

9 **59-13-301**, as last amended by Chapter 3, Laws of Utah 1997, First Special Session

10 **59-13-314**, as last amended by Chapter 271, Laws of Utah 1997

11 REPEALS:

12 **59-13-304**, as last amended by Chapters 271 and 272, Laws of Utah 1997

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

14 Section 1. Section **59-13-301** is amended to read:

15 **59-13-301. Tax basis -- Rate -- Exemptions -- Revenue deposited with treasurer and**
16 **credited to Transportation Fund.**

17 (1) (a) Except as provided in Subsections (2) and (3) [~~and Section 59-13-304~~], a tax is
18 imposed at the same rate imposed under Subsection 59-13-201(1)(a) on the:

19 (i) removal of undyed diesel fuel from any refinery;

20 (ii) removal of undyed diesel fuel from any terminal;

21 (iii) entry into the state of any undyed diesel fuel for consumption, use, sale, or
22 warehousing;

23 (iv) sale of undyed diesel fuel to any person who is not registered as a supplier under this
24 part unless the tax has been collected under this section;

25 (v) any untaxed special fuel blended with undyed diesel fuel; or

26 (vi) use of untaxed special fuel, other than a clean special fuel.

27 (b) The tax imposed under this section shall only be imposed once upon any special fuel.

- 1 (2) (a) No special fuel tax is imposed or collected upon dyed diesel fuel which:
- 2 (i) is sold or used for any purpose other than to operate or propel a motor vehicle upon the
- 3 public highways of the state, but this exemption applies only in those cases where the purchasers
- 4 or the users of special fuel establish to the satisfaction of the commission that the special fuel was
- 5 used for purposes other than to operate a motor vehicle upon the public highways of the state; or
- 6 (ii) is sold to this state or any of its political subdivisions.
- 7 (b) No special fuel tax is imposed on undyed diesel fuel which:
- 8 (i) is sold to the United States government or any of its instrumentalities or to this state
- 9 or any of its political subdivisions;
- 10 (ii) is exported from this state if proof of actual exportation on forms prescribed by the
- 11 commission is made within 180 days after exportation;
- 12 (iii) is used in a vehicle off-highway;
- 13 (iv) is used to operate a power take-off unit of a vehicle;
- 14 (v) is used for off-highway agricultural uses;
- 15 (vi) is used in a separately fueled engine on a vehicle that does not propel the vehicle upon
- 16 the highways of the state; or
- 17 (vii) is used in machinery and equipment not registered and not required to be registered
- 18 for highway use.
- 19 (3) No tax is imposed or collected on special fuel if it is:
- 20 (a) purchased for business use in machinery and equipment not registered and not required
- 21 to be registered for highway use; and
- 22 (b) used pursuant to the conditions of a state implementation plan approved under Title
- 23 19, Chapter 2, Air Conservation Act.
- 24 (4) Upon request of a buyer meeting the requirements under Subsection (3), the Division
- 25 of Air Quality shall issue an exemption certificate that may be shown to a seller.
- 26 (5) The special fuel tax shall be paid by the supplier.
- 27 (6) (a) The special fuel tax shall be paid by every user who is required by Sections
- 28 59-13-303 and 59-13-305 to obtain a special fuel permit and file special fuel tax reports.
- 29 (b) The user shall receive a refundable credit for special fuel taxes paid on purchases
- 30 which are delivered into vehicles and for which special fuel tax liability is reported.
- 31 (7) (a) All revenue received by the commission from taxes and license fees under this part

1 shall be deposited daily with the state treasurer and credited to the Transportation Fund.

2 (b) An appropriation from the Transportation Fund shall be made to the commission to
3 cover expenses incurred in the administration and enforcement of this part and the collection of
4 the special fuel tax.

5 (8) The commission may either collect no tax on special fuel exported from the state or,
6 upon application, refund the tax paid.

7 (9) (a) The United States government or any of its instrumentalities, this state, or a
8 political subdivision of this state that has purchased special fuel from a supplier or from a retail
9 dealer of special fuel and has paid the tax on the special fuel as provided in this section is entitled
10 to a refund of the tax and may file with the commission for a quarterly refund.

11 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
12 commission shall make rules governing the application and refund provided for in Subsection
13 (9)(a).

14 (10) (a) The purchaser shall pay the tax on diesel fuel purchased for uses under
15 Subsections (2)(b)(i), (iii), (iv), (v), (vi), and (vii) and apply for a refund for the tax paid as
16 provided in Subsections (9) and (10).

17 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
18 commission shall make rules governing the application and refund for off-highway and
19 nonhighway uses provided under Subsections (2)(b)(iii), (iv), (vi), and (vii).

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

22 Section 2. Section **59-13-314** is amended to read:

23 **59-13-314. Special fuel vehicle permit required before registration of vehicle.**

24 Before registering any motor vehicle which is operated by special fuels, the registered
25 owner or lessee of the vehicle shall obtain a valid special fuel vehicle permit for the current year
26 [or a valid clean special fuel certificate as provided by Section 59-13-304].

27 Section 3. **Repealer.**

28 This act repeals:

29 Section **59-13-304, Exemptions from special fuel tax -- Certificate required -- Fees for**
30 **certificates -- Inspection of vehicles.**

31 Section 4. **Effective date.**

1 This act takes effect on July 1, 1998.

Legislative Review Note
as of 12-4-97 10:45 AM

A limited legal review of this bill raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel