



28           **59-13-201. Rate -- Tax basis -- Exemptions -- Revenue deposited in the**  
29 **Transportation Fund -- Restricted account for boating uses -- Refunds -- Reduction of tax**  
30 **in limited circumstances.**

31           (1) (a) [~~A~~] Subject to the provisions of this section, a tax is imposed at the rate of  
32 24-1/2 cents per gallon upon all motor fuel that is sold, used, or received for sale or used in this  
33 state.

34           (b) [~~A~~] In lieu of the tax imposed under Subsection (1)(a) and subject to the provisions  
35 of this section, a tax is imposed at the rate of 3/19 of the rate imposed under Subsection (1)(a),  
36 rounded up to the nearest penny, upon all motor fuels that meet the definition of clean fuel in  
37 Section 59-13-102 and are sold, used, or received for sale or use in this state.

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

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

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

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

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

48           (iv) motor fuel that is sold to the United States government, this state, or the political  
49 subdivisions of this state [~~where sale and delivery is made in quantities of 750 gallons or~~  
50 ~~more~~].

51           ~~[(b) For purposes of this Subsection (3), the state and its political subdivisions may~~  
52 ~~make collective purchases for purposes of meeting the 750 gallon requirement, and the state~~  
53 ~~and political subdivisions may provide for this purchase in any manner approved by the~~  
54 ~~commission.]~~

55           (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
56 commission shall make rules governing the procedures for administering the tax exemption  
57 provided under Subsection (3)(a)(iv).

58           (4) The commission may either collect no tax on motor fuel exported from the state or,

59 upon application, refund the tax paid.

60 (5) (a) All revenue received by the commission under this part shall be deposited daily  
61 with the state treasurer and credited to the Transportation Fund.

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

65 (6) (a) The commission shall determine what amount of motor fuel tax revenue is  
66 received from the sale or use of motor fuel used in motorboats registered under the provisions  
67 of the State Boating Act, and this amount shall be deposited in a restricted revenue account in  
68 the General Fund of the state.

69 (b) The funds from this account shall be used for the construction, improvement,  
70 operation, and maintenance of state-owned boating facilities and for the payment of the costs  
71 and expenses of the Division of Parks and Recreation in administering and enforcing the State  
72 Boating Act.

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

78 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
79 commission shall make rules governing the application and refund provided for in Subsection  
80 (7)(a).

81 (8) (a) The commission shall refund annually into the Off-Highway Vehicle Account in  
82 the General Fund an amount equal to the lesser of the following:

- 83 (i) .5% of the motor fuel tax revenues collected under this section; or
- 84 (ii) \$1,050,000.

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

86 (c) This Subsection (8) sunsets on July 1, 2010.

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

90 (i) a tax imposed on the basis of the sale, use, or receipt for sale or use of the motor  
91 fuel is paid to the Navajo Nation;

92 (ii) the tax described in Subsection (9)(a)(i) is imposed without regard to whether or  
93 not the person required to pay the tax is an enrolled member of the Navajo Nation; and

94 (iii) the commission and the Navajo Nation execute and maintain an agreement as  
95 provided in this Subsection (9) for the administration of the reduction of tax.

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

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

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

102 (ii) The difference described in Subsection (9)(b)(i) is equal to the difference between:

103 (A) the amount of tax imposed on the motor fuel by this section; less

104 (B) the tax imposed and collected by the Navajo Nation on the motor fuel.

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

109 (d) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
110 commission shall make rules governing the procedures for administering the reduction of tax  
111 provided under this Subsection (9).

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

113 (i) may not:

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

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

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

118 (ii) shall:

119 (A) be in writing;

120 (B) be signed by:

- 121 (I) the chair of the commission or the chair's designee; and
- 122 (II) a person designated by the Navajo Nation that may bind the Navajo Nation;
- 123 (C) be conditioned on obtaining any approval required by federal law;
- 124 (D) state the effective date of the agreement; and
- 125 (E) state any accommodation the Navajo Nation makes related to the construction and
- 126 maintenance of state highways and other infrastructure within the Utah portion of the Navajo
- 127 Nation; and

128 (iii) may:

129 (A) notwithstanding Section 59-1-403, authorize the commission to disclose to the

130 Navajo Nation information that is:

- 131 (I) contained in a document filed with the commission; and
- 132 (II) related to the tax imposed under this section;
- 133 (B) provide for maintaining records by the commission or the Navajo Nation; or
- 134 (C) provide for inspections or audits of distributors, carriers, or retailers located or
- 135 doing business within the Utah portion of the Navajo Nation.

136 (f) (i) If, on or after April 1, 2001, the Navajo Nation changes the tax rate of a tax

137 imposed on motor fuel, any change in the reduction of taxes under this Subsection (9) as a

138 result of the change in the tax rate is not effective until the first day of the calendar quarter after

139 a 60-day period beginning on the date the commission receives notice:

- 140 (A) from the Navajo Nation; and
- 141 (B) meeting the requirements of Subsection (9)(f)(ii).
- 142 (ii) The notice described in Subsection (9)(f)(i) shall state:

143 (A) that the Navajo Nation has changed or will change the tax rate of a tax imposed on

144 motor fuel;

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

146 and

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

148 (g) If the agreement required by Subsection (9)(a) terminates, a reduction of tax is not

149 permitted under this Subsection (9) beginning on the first day of the calendar quarter after a

150 30-day period beginning on the day the agreement terminates.

151 (h) If there is a conflict between this Subsection (9) and the agreement required by

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

---

---

**Legislative Review Note**  
**as of 12-22-03 12:54 PM**

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

**Office of Legislative Research and General Counsel**

**State Impact**

No significant fiscal impact on motor fuel tax collections. Other costs related to the impact of this legislation will be minimal and can be handled within existing budgets.

---

**Individual and Business Impact**

No significant fiscal impact.

---

**Office of the Legislative Fiscal Analyst**