

## SB0060S02 compared with SB0060

~~deleted text~~ shows text that was in SB0060 but was deleted in SB0060S02.

inserted text shows text that was not in SB0060 but was inserted into SB0060S02.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Johnny Anderson proposes the following substitute bill:

### FUEL EXCISE TAX AMENDMENTS

2014 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: John L. Valentine**

House Sponsor: ~~\_\_\_\_\_~~ Johnny Anderson

---

#### LONG TITLE

##### General Description:

This bill modifies the Motor and Special Fuel Tax Act by amending provisions relating to motor and special fuel tax rates.

##### Highlighted Provisions:

This bill:

- ▶ provides definitions:
- ▶ reduces the cents per gallon tax rate that is imposed on motor fuels and special fuels;
- ▶ imposes a percentage tax per gallon on motor fuel and special fuel based on the previous three calendar ~~year statewide~~ years' average rack price of a gallon of regular unleaded motor fuel;
- ▶ establishes procedures for the State Tax Commission to determine the previous

## SB0060S02 compared with SB0060

three calendar ~~{year statewide}~~years' average rack price of a gallon of regular unleaded motor fuel;

- ▶ provides that the adjusted fuel tax rate shall take effect on July 1 ~~{of each}~~in a year that the fuel tax rate is required to be adjusted;
- ▶ repeals the percentage tax per gallon on motor fuel and special fuel based on the previous three calendar years' average rack price of a gallon of regular unleaded motor fuel on June 30, 2021; and
- ▶ makes technical corrections.

### Money Appropriated in this Bill:

None

### Other Special Clauses:

This bill takes effect on ~~{January}~~July 1, ~~{2015}~~2014.

### Utah Code Sections Affected:

AMENDS:

**59-13-102**, as last amended by Laws of Utah 2012, Chapter 369

**59-13-201**, as last amended by Laws of Utah 2010, Chapter 308

**59-13-301**, as last amended by Laws of Utah 2011, Chapter 259

**59-13-403**, as last amended by Laws of Utah 2006, Chapter 322

**63I-1-259**, as last amended by Laws of Utah 2013, Chapter 462

---

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

Section 1. Section **59-13-102** is amended to read:

#### **59-13-102. Definitions.**

As used in this chapter:

(1) "Average rack price" means the Salt Lake weekly contract rack average price for no lead, E10 published by an oil pricing service.

~~(1)~~(2) "Aviation fuel" means fuel that is sold at airports and used exclusively for the operation of aircraft.

~~(2)~~(3) "Clean fuel" means:

(a) the following special fuels:

(i) propane;

## SB0060S02 compared with SB0060

(ii) compressed natural gas;

(iii) liquified natural gas; or

(iv) electricity; or

(b) any motor or special fuel that meets the clean fuel vehicle standards in the federal Clean Air Act Amendments of 1990, Title II.

~~[(3)]~~ [(4)] "Commission" means the State Tax Commission.

~~[(4)]~~ [(5)] (a) "Diesel fuel" means any liquid that is commonly or commercially known, offered for sale, or used as a fuel in diesel engines.

(b) "Diesel fuel" includes any combustible liquid, by whatever name the liquid may be known or sold, when the liquid is used in an internal combustion engine for the generation of power to operate a motor vehicle licensed to operate on the highway, except fuel that is subject to the tax imposed in Part 2, Motor Fuel, and Part 4, Aviation Fuel, of this chapter.

[(6)] "Diesel gallon equivalent" means 6.06 pounds of liquified natural gas.

~~[(5)]~~ [(7)] "Distributor" means any person in this state who:

(a) imports or causes to be imported motor fuel for use, distribution, or sale, whether at retail or wholesale;

(b) produces, refines, manufactures, or compounds motor fuel in this state for use, distribution, or sale in this state;

(c) is engaged in the business of purchasing motor fuel for resale in wholesale quantities to retail dealers of motor fuel and who accounts for his own motor fuel tax liability; or

(d) for purposes of Part 4, Aviation Fuel, only, makes retail sales of aviation fuel to:

(i) federally certificated air carriers; and

(ii) other persons.

~~[(6)]~~ [(8)] "Dyed diesel fuel" means diesel fuel that is dyed in accordance with 26 U.S.C. Sec. 4082 or United States Environmental Protection Agency or Internal Revenue Service regulations and that is considered destined for nontaxable off-highway use.

~~[(7)]~~ [(9)] "Exchange agreement" means an agreement between licensed suppliers where one is a position holder in a terminal who agrees to deliver taxable special fuel to the other supplier or the other supplier's customer at the loading rack of the terminal where the delivering supplier holds an inventory position.

## SB0060S02 compared with SB0060

~~[(8)]~~[(10)] "Federally certificated air carrier" means a person who holds a certificate issued by the Federal Aviation Administration authorizing the person to conduct an all-cargo operation or scheduled operation, as defined in 14 C.F.R. Sec. 110.2.

~~[(9)]~~[(11)] "Fuels" means any gas, liquid, solid, mixture, or other energy source which is generally used in an engine or motor for the generation of power, including aviation fuel, clean fuel, diesel fuel, motor fuel, and special fuel.

[(12)] "Gasoline gallon equivalent" means 5.660 pounds of compressed natural gas.

~~[(10)]~~[(13)] "Highway" means every way or place, of whatever nature, generally open to the use of the public for the purpose of vehicular travel notwithstanding that the way or place may be temporarily closed for the purpose of construction, maintenance, or repair.

~~[(11)]~~[(14)] "Motor fuel" means fuel that is commonly or commercially known or sold as gasoline or gasohol and is used for any purpose, but does not include aviation fuel.

~~[(12)]~~[(15)] "Motor fuels received" means:

(a) motor fuels that have been loaded at the refinery or other place into tank cars, placed in any tank at the refinery from which any withdrawals are made directly into tank trucks, tank wagons, or other types of transportation equipment, containers, or facilities other than tank cars, or placed in any tank at the refinery from which any sales, uses, or deliveries not involving transportation are made directly; or

(b) motor fuels that have been imported by any person into the state from any other state or territory by tank car, tank truck, pipeline, or any other conveyance at the time when, and the place where, the interstate transportation of the motor fuel is completed within the state by the person who at the time of the delivery is the owner of the motor fuel.

~~[(13)]~~[(16)] "Oil pricing service" means an organization that:

(a) publishes wholesale petroleum prices within the United States;

(b) publishes at least 25,000 rack prices on a daily basis; and

(c) receives daily gasoline and diesel prices from at least 100,000 retail outlets in the United States and Canada.

~~[(13)]~~ ~~[(14)]~~[(17)] (a) "Qualified motor vehicle" means a special fuel-powered motor vehicle used, designed, or maintained for transportation of persons or property which:

(i) has a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds;

## SB0060S02 compared with SB0060

(ii) has three or more axles regardless of weight; or

(iii) is used in a combination of vehicles when the weight of the combination of vehicles exceeds 26,000 pounds gross vehicle weight.

(b) "Qualified motor vehicle" does not include a recreational vehicle not used in connection with any business activity.

~~(14)~~ ~~(15)~~ 18 "Rack," as used in Part 3, Special Fuel, means a deck, platform, or open bay which consists of a series of metered pipes and hoses for the delivery or removal of diesel fuel from a refinery or terminal into a motor vehicle, rail car, or vessel.

~~(15)~~ ~~(16)~~ 19 "Removal," as used in Part 3, Special Fuel, means the physical transfer of diesel fuel from a production, manufacturing, terminal, or refinery facility and includes use of diesel fuel. Removal does not include:

(a) loss by evaporation or destruction; or

(b) transfers between refineries, racks, or terminals.

~~(16)~~ ~~(17)~~ 20 (a) "Special fuel" means any fuel regardless of name or character that:

(i) is usable as fuel to operate or propel a motor vehicle upon the public highways of the state; and

(ii) is not taxed under the category of aviation or motor fuel.

(b) Special fuel includes:

(i) fuels that are not conveniently measurable on a gallonage basis; and

(ii) diesel fuel.

~~(17)~~ ~~(18)~~ 21 "Supplier," as used in Part 3, Special Fuel, means a person who:

(a) imports or acquires immediately upon importation into this state diesel fuel from within or without a state, territory, or possession of the United States or the District of Columbia;

(b) produces, manufactures, refines, or blends diesel fuel in this state;

(c) otherwise acquires for distribution or sale in this state, diesel fuel with respect to which there has been no previous taxable sale or use; or

(d) is in a two party exchange where the receiving party is deemed to be the supplier.

~~(18)~~ ~~(19)~~ 22 "Terminal," as used in Part 3, Special Fuel, means a facility for the storage of diesel fuel which is supplied by a motor vehicle, pipeline, or vessel and from which diesel fuel is removed for distribution at a rack.

## SB0060S02 compared with SB0060

[(19)] (~~(20)~~23) "Two party exchange" means a transaction in which special fuel is transferred between licensed suppliers pursuant to an exchange agreement.

[(20)] (~~(21)~~24) "Undyed diesel fuel" means diesel fuel that is not subject to the dyeing requirements in accordance with 26 U.S.C. Sec. 4082 or United States Environmental Protection Agency or Internal Revenue Service regulations.

[(21)] (~~(22)~~25) "Use," as used in Part 3, Special Fuel, means the consumption of special fuel for the operation or propulsion of a motor vehicle upon the public highways of the state and includes the reception of special fuel into the fuel supply tank of a motor vehicle.

[(22)] (~~(23)~~26) "User," as used in Part 3, Special Fuel, means any person who uses special fuel within this state in an engine or motor for the generation of power to operate or propel a motor vehicle upon the public highways of the state.

[(23)] (~~(24)~~27) "Ute tribal member" means an enrolled member of the Ute tribe.

[(24)] (~~(25)~~28) "Ute tribe" means the Ute Indian Tribe of the Uintah and Ouray Reservation.

[(25)] (~~(26)~~29) "Ute trust land" means the lands:

(a) of the Uintah and Ouray Reservation that are held in trust by the United States for the benefit of:

- (i) the Ute tribe;
- (ii) an individual; or
- (iii) a group of individuals; or

(b) specified as trust land by agreement between the governor and the Ute tribe meeting the requirements of Subsections 59-13-201.5(3) and 59-13-301.5(3).

Section 2. Section **59-13-201** is amended to read:

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

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

- (i) until June 30, ~~2015~~2017, 24-1/2 cents per gallon; and
- (ii) beginning on July 1, ~~2015~~2017, 14 cents per gallon.

## SB0060S02 compared with SB0060

(b) (i) Beginning on July 1, ~~2015~~2017, and in addition to the rate imposed under Subsection (1)(a), a tax is imposed at the rate of 3.69% of the ~~statewide~~ average rack price of a gallon of motor fuel per gallon upon all motor fuel that is sold, used, or received for sale or used in this state.

(ii) Subject to the requirement under Subsection (1)(b)(iii), the ~~statewide~~ average rack price of a gallon of motor fuel under Subsection (1)(b)(i) shall be determined by calculating the previous three calendar ~~year statewide~~ years' average rack price of a gallon of regular unleaded motor fuel, excluding federal and state excise taxes, for the ~~12~~36 months ending on the preceding December 31 as published by an oil pricing service.

(iii) The ~~statewide~~ average rack price of a gallon of motor fuel determined under Subsection (1)(b)(ii) may not be less than \$2.84 per gallon.

(iv) The commission shall ~~annually~~, every three years:

(A) determine the ~~statewide~~ average rack price of a gallon of motor fuel in accordance with Subsection (1)(b)(ii); ~~and~~

(B) adjust the fuel tax imposed under Subsection (1)(b)(i), rounded to the nearest one-tenth of a cent, based on the determination under Subsection (1)(b)(ii) ~~and~~;

(C) post or otherwise make public the adjusted fuel tax rate as determined in Subsection (1)(b)(iv)(B) no later than 90 days prior to the effective date of the tax rate under Subsection (1)(b)(v).

(v) The fuel tax rate imposed under this Subsection (1)(b) and adjusted as required under Subsection (1)(b)(iv) shall take effect on July 1 ~~of each~~ in a year that the fuel tax rate is required to be adjusted.

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

(2) Any increase or decrease in the tax ~~rate~~ rates imposed under Subsection (1) applies to motor fuel that is imported to the state or sold at refineries in the state on or after the effective date of the rate change.

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

## **SB0060S02 compared with SB0060**

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

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

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

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

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

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

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

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

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

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

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

## SB0060S02 compared with SB0060

refund.

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

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

(i) .5% of the motor fuel tax revenues collected under this section; or

(ii) \$1,050,000.

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

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

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

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

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

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

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

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

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

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

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

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

## **SB0060S02 compared with SB0060**

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

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

(i) may not:

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

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

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

(ii) shall:

(A) be in writing;

(B) be signed by:

(I) the chair of the commission or the chair's designee; and

(II) a person designated by the Navajo Nation that may bind the Navajo Nation;

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

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

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

(iii) may:

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

(I) contained in a document filed with the commission; and

(II) related to the tax imposed under this section;

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

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

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

## SB0060S02 compared with SB0060

(A) from the Navajo Nation; and

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

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

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

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

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

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

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

Section 3. Section **59-13-301** is amended to read:

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

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

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

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

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

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

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

(vi) use of untaxed special fuel other than propane or electricity.

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

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

(i) is sold or used for any purpose other than to operate or propel a motor vehicle upon

## **SB0060S02 compared with SB0060**

the public highways of the state, but this exemption applies only in those cases where the purchasers or the users of special fuel establish to the satisfaction of the commission that the special fuel was used for purposes other than to operate a motor vehicle upon the public highways of the state; or

(ii) is sold to this state or any of its political subdivisions.

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

(i) sold to the United States government or any of its instrumentalities or to this state or any of its political subdivisions;

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

(iii) used in a vehicle off-highway;

(iv) used to operate a power take-off unit of a vehicle;

(v) used for off-highway agricultural uses;

(vi) used in a separately fueled engine on a vehicle that does not propel the vehicle upon the highways of the state; or

(vii) used in machinery and equipment not registered and not required to be registered for highway use.

(3) No tax is imposed or collected on special fuel if it is:

(a) (i) purchased for business use in machinery and equipment not registered and not required to be registered for highway use; and

(ii) used pursuant to the conditions of a state implementation plan approved under Title 19, Chapter 2, Air Conservation Act; or

(b) propane or electricity.

(4) Upon request of a buyer meeting the requirements under Subsection (3), the Division of Air Quality shall issue an exemption certificate that may be shown to a seller.

(5) The special fuel tax shall be paid by the supplier.

(6) (a) The special fuel tax shall be paid by every user who is required by Sections 59-13-303 and 59-13-305 to obtain a special fuel user permit and file special fuel tax reports.

(b) The user shall receive a refundable credit for special fuel taxes paid on purchases which are delivered into vehicles and for which special fuel tax liability is reported.

(7) (a) Except as provided under Subsections (7)(b) and (c), all revenue received by the

## **SB0060S02 compared with SB0060**

commission from taxes and license fees under this part shall be deposited daily with the state treasurer and credited to the Transportation Fund.

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

(c) Five dollars of each special fuel user trip permit fee paid under Section 59-13-303 may be used by the commission as a dedicated credit to cover the costs of electronic credentialing as provided in Section 41-1a-303.

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

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

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

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

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

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

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

(i) the Navajo Nation imposes a tax on the special fuel;

(ii) the tax described in Subsection (11)(a)(i) is imposed without regard to whether the person required to pay the tax is an enrolled member of the Navajo Nation; and

## **SB0060S02 compared with SB0060**

(iii) the commission and the Navajo Nation execute and maintain an agreement as provided in this Subsection (11) for the administration of the reduction of tax.

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

(A) the state shall be paid the difference described in Subsection (11)(b)(ii) if that difference is greater than \$0; and

(B) a person may not require the state to provide a refund, a credit, or similar tax relief if the difference described in Subsection (11)(b)(ii) is less than or equal to \$0.

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

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

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

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

(d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules governing the procedures for administering the reduction of tax provided under this Subsection (11).

(e) The agreement required under Subsection (11)(a):

(i) may not:

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

(B) provide a reduction of taxes greater than or different from the reduction described in this Subsection (11); or

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

(ii) shall:

(A) be in writing;

(B) be signed by:

(I) the chair of the commission or the chair's designee; and

(II) a person designated by the Navajo Nation that may bind the Navajo Nation;

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

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

## SB0060S02 compared with SB0060

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

(iii) may:

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

(I) contained in a document filed with the commission; and

(II) related to the tax imposed under this section;

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

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

(f) (i) If, on or after April 1, 2001, the Navajo Nation changes the tax rate of a tax imposed on special fuel, any change in the amount of the reduction of taxes under this Subsection (11) as a result of the change in the tax rate is not effective until the first day of the calendar quarter after a 60-day period beginning on the date the commission receives notice:

(A) from the Navajo Nation; and

(B) meeting the requirements of Subsection (11)(f)(ii).

(ii) The notice described in Subsection (11)(f)(i) shall state:

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

(B) the effective date of the rate change of the tax described in Subsection (11)(f)(ii)(A); and

(C) the new rate of the tax described in Subsection (11)(f)(ii)(A).

(g) If the agreement required by Subsection (11)(a) terminates, a reduction of tax is not permitted under this Subsection (11) beginning on the first day of the calendar quarter after a 30-day period beginning on the day the agreement terminates.

(h) If there is a conflict between this Subsection (11) and the agreement required by Subsection (11)(a), this Subsection (11) governs.

(12) (a) Beginning on January 1, 2009, a tax imposed under this section on compressed natural gas is imposed at a reduced rate of 8-1/2 cents per gasoline gallon equivalent to be increased [~~or decreased~~] proportionately with any increase [~~or decrease~~] in the rate in

## SB0060S02 compared with SB0060

Subsection 59-13-201(1)(a).

(b) Beginning on July 1, 2011, a tax imposed under this section on liquified natural gas is imposed at a reduced rate of 8-1/2 cents per ~~gasoline~~ diesel gallon equivalent to be increased ~~[or decreased]~~ proportionately with any increase ~~[or decrease]~~ in the rate in Subsection 59-13-201(1)(a).

Section 4. Section 59-13-403 is amended to read:

59-13-403. Administration and penalties -- Bond requirements.

(1) All administrative and penalty provisions of Part 2, Motor Fuel, apply to the administration of Part 4, Aviation Fuel.

(2) Notwithstanding Subsection (1), a distributor is not required to furnish a bond if the distributor:

(a) meets the definition of distributor under Subsection 59-13-102~~(5)~~(7)(d); and

(b) has an average tax liability of \$500 or less per month.

Section 5. Section 63I-1-259 is amended to read:

63I-1-259. Repeal dates, Title 59.

(1) Sections 59-1-801.5 and 59-1-808 are repealed on June 30, 2014.

(2) Subsection 59-2-924(3)(g) is repealed on December 31, 2016.

(3) Section 59-2-924.3 is repealed on December 31, 2016.

(4) Section 59-9-102.5 is repealed December 31, 2020.

(5) Subsection 59-13-201(1)(b) is repealed June 30, 2021.

Section ~~{4}~~6. **Effective date.**

This bill takes effect on ~~{January}~~July 1, ~~{2015}~~2014.

f

**Legislative Review Note**

~~as of 2-7-14 2:46 PM~~

~~Office of Legislative Research and General Counsel}~~