

Representative Stephen G. Handy proposes the following substitute bill:

NATURAL GAS VEHICLE AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephen G. Handy

Senate Sponsor: Todd Weiler

LONG TITLE

General Description:

This bill addresses provisions relating to natural gas vehicles.

Highlighted Provisions:

This bill:

- ▶ provides an income tax credit for the purchase of a natural gas heavy duty vehicle;
- ▶ provides requirements for the tax credit and an aggregate limit on tax credits;
- ▶ authorizes the Air Quality Board to make rules relating to administration of the tax credit program;
- ▶ modifies a provision relating to the taxation of natural gas used in vehicles; and
- ▶ provides for the repeal of the tax credit provisions.

Money Appropriated in this Bill:

None

Other Special Clauses:

H→ [None] This bill provides a special effective date. ←H

Utah Code Sections Affected:

AMENDS:

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

63I-1-259, as last amended by Laws of Utah 2014, Chapter 54



57 (ii) \$20,000, if the qualified purchase occurs during calendar year 2018;
58 (iii) \$18,000, if the qualified purchase occurs during calendar year 2019; and
59 (iv) \$15,000, if the qualified purchase occurs during calendar year 2020; and
60 (b) if the taxpayer certifies under oath that over 50% of the miles that the heavy duty
61 vehicle that is the subject of the qualified purchase will travel annually will be within the state.

62 (3) (a) Except as provided in Subsection (3)(b), a taxpayer may not submit an
63 application for, and the board may not issue to the taxpayer, a tax credit certificate under this
64 section in any taxable year for a qualifying purchase if the board has already issued tax credit
65 certificates to the taxpayer for 10 qualifying purchases in the same taxable year.

66 (b) If, by May 1 of any year, more than 30% of the aggregate annual total amount of
67 tax credits under Subsection (5) has not been claimed, a taxpayer may submit an application
68 for, and the board may issue to the taxpayer, one or more tax credit certificates for up to eight
69 additional qualifying purchases, even if the board has already issued to that taxpayer tax credit
70 certificates for the maximum number of qualifying purchases allowed under Subsection (3)(a).

71 (4) (a) Subject to Subsection (4)(b), the board shall reserve 25% of all tax credits
72 available under this section for taxpayers with a small fleet.

73 (b) Subsection (4)(a) does not prevent a taxpayer from submitting an application for, or
74 the board from issuing, a tax credit certificate if the amount reserved under Subsection (4)(a)
75 for taxpayers with a small fleet has not been claimed by a date that is 90 days before the end of
76 the year.

77 (5) (a) The aggregate annual total amount of tax credits represented by tax credit
78 certificates that the board issues under this section, when combined with the aggregate annual
79 total amount of tax credits represented by tax credit certificates that the board issues under
80 Section 59-10-1033, may not exceed \$→ [\$2,000,000] \$500,000 ←\$.

81 (b) The board shall, in accordance with Title 63G, Chapter 3, Utah Administrative
82 Rulemaking Act, make rules to establish a process whereby a taxpayer may reserve a potential
83 tax credit under this section for a limited time to allow the taxpayer to make a qualifying
84 purchase with the assurance that the aggregate limit under Subsection (5)(a) will not be met
85 before the taxpayer is able to submit an application for a tax credit certificate.

86 (6) (a) (i) A taxpayer wishing to claim a tax credit under this section shall, using forms
87 the board requires by rule:

150 (ii) \$20,000, if the qualified purchase occurs during calendar year 2018;
151 (iii) \$18,000, if the qualified purchase occurs during calendar year 2019; and
152 (iv) \$15,000, if the qualified purchase occurs during calendar year 2020; and
153 (b) if the claimant, estate, or trust certifies under oath that over 50% of the miles that
154 the heavy duty vehicle that is the subject of the qualified purchase or qualified conversion will
155 travel annually will be within the state.

156 (3) (a) Except as provided in Subsection (3)(b), a claimant, estate, or trust may not
157 submit an application for, and the board may not issue to the claimant, estate, or trust, a tax
158 credit certificate under this section in any taxable year for a qualifying purchase if the board has
159 already issued to the claimant, estate, or trust 10 tax credits for qualifying purchases in the
160 same taxable year.

161 (b) If, by May 1 of any year, more than 30% of the aggregate annual total amount of
162 tax credits under Subsection (5) has not been claimed, a claimant, estate, or trust may submit
163 an application for, and the board may issue to the claimant, estate, or trust, one or more tax
164 credit certificates for up to eight additional qualifying purchases, even if the board has already
165 issued to that claimant, estate, or trust tax credit certificates for the maximum number of
166 qualifying purchases allowed under Subsection (3)(a).

167 (4) (a) Subject to Subsection (4)(b), the board shall reserve 25% of all tax credits
168 available under this section for claimants, estates, or trusts with a small fleet.

169 (b) Subsection (4)(a) does not prevent a claimant, estate, or trust from submitting an
170 application for, or the board from issuing, a tax credit certificate if the amount reserved under
171 Subsection (4)(a) for claimants, estates, or trusts with a small fleet has not been claimed by a
172 date that is 90 days before the end of the year.

173 (5) (a) The aggregate annual total amount of tax credits represented by tax credit
174 certificates that the board issues under this section, when combined with the aggregate annual
175 total amount of tax credits represented by tax credit certificates that the board issues under
176 Section 59-7-618, may not exceed \$→ [\$2,000,000] \$500,000 ←\$.

177 (b) The board shall, in accordance with Title 63G, Chapter 3, Utah Administrative
178 Rulemaking Act, make rules to establish a process whereby a taxpayer may reserve a potential
179 tax credit under this section for a limited time to allow the taxpayer to make a qualifying
180 purchase with the assurance that the aggregate limit under Subsection (5)(a) will not be met

367 gas is imposed at a [~~reduced~~] rate of [~~8-1/2 cents~~]:

368 (i) until June 30, 2016, 10-1/2 cents per gasoline gallon equivalent [~~to be increased or~~
369 ~~decreased proportionately with any increase or decrease in the rate in Subsection~~
370 ~~59-13-201(1)(a)~~];

371 (ii) beginning on July 1, 2016, and until June 30, 2017, 12-1/2 cents per gasoline gallon
372 equivalent;

373 (iii) beginning on July 1, 2017, and until June 30, 2018, 14-1/2 cents per gasoline
374 gallon equivalent; and

375 (iv) beginning on or after July 1, 2018, 16-1/2 cents per gasoline gallon equivalent.

376 Section 4. Section **63I-1-259** is amended to read:

377 **63I-1-259. Repeal dates, Title 59.**

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

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

380 (3) Section 59-7-618 is repealed July 1, 2020.

381 [~~3~~] (4) Section 59-9-102.5 is repealed December 31, 2020.

382 (5) Section 59-10-1033 is repealed July 1, 2020.

382a **H→ Section 5. Effective date.**

382b **(1) Except as provided in Subsection (2), this bill takes effect May 12, 2015.**

382c **(2) The amendments to Section ~~59-12-103~~ 59-13-301 ~~←~~ take effect July 1, 2015. ←H**