

POLLUTION CONTROL EQUIPMENT TAX AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Evan J. Vickers

House Sponsor: Val L. Peterson

LONG TITLE

General Description:

This bill enacts provisions related to the assessment of certain pollution control equipment.

Highlighted Provisions:

This bill:

- ▶ defines "pollution control equipment";
- ▶ provides a schedule for valuing county assessed pollution control equipment that is used in connection with a petroleum refinery;
- ▶ addresses a taxpayer's opportunity to appeal a valuation; and
- ▶ provides circumstances under which a county assessor may deviate from the schedule.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

ENACTS:

59-2-301.9, Utah Code Annotated 1953

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

Section 1. Section **59-2-301.9** is enacted to read:

59-2-301.9. Assessment of pollution control equipment.

30 (1) As used in this section, "pollution control equipment" means property that:
 31 (a) is assessed under Part 3, County Assessment;
 32 (b) is used:
 33 (i) to prevent, control, or reduce air or water pollution; and
 34 (ii) in connection with an establishment described in NAICS subsector 324110 of the
 35 2022 North American Industry Classification System of the federal Executive Office of the
 36 President, Office of Management and Budget;
 37 (c) is purchased to satisfy a requirement of the federal or state government; and
 38 (d) does not significantly:
 39 (i) increase the facility's output or capacity;
 40 (ii) reduce the facility's total operating costs; or
 41 (iii) extend the useful life of any other property.
 42 (2) The taxable value of pollution control equipment is calculated by applying the
 43 percent good factor against the acquisition cost of the pollution control equipment as follows:

| <u>Year After Acquisition</u> | <u>Percent Good of Acquisition Cost</u> |
|--|---|
| <u>First year after acquisition</u> | <u>80%</u> |
| <u>Second year after acquisition</u> | <u>60%</u> |
| <u>Third year after acquisition</u> | <u>40%</u> |
| <u>Fourth year after acquisition</u> | <u>20%</u> |
| <u>Fifth year or any subsequent year after acquisition</u> | <u>6%</u> |

50 (3) (a) A taxpayer owning property assessed under this section may make an appeal
 51 relating to the value of the property in accordance with Section [59-2-1005](#).
 52 (b) As part of an appeal described in this subsection, a taxpayer may request a
 53 deviation from the schedule provided in this section for a specific item of property if use of the
 54 schedule does not result in the fair market value of the property, including any relevant
 55 installation or assemblage value, at the retail level of trade and on the lien date.

56 (4) (a) A county assessor may deviate from the schedule provided in this section when
57 necessary to reach fair market value.

58 (b) When a deviation described in Subsection (4)(a) affects an entire class or type of
59 personal property, the county assessor shall submit to the commission a written report
60 substantiating the deviation with verifiable data.

61 (c) A county assessor may not use a schedule other than the schedule provided in this
62 section without prior written consent of the commission.

63 (d) If a county assessor deviates from the schedule provided in this section and the
64 taxpayer makes an appeal in accordance with Subsection (3), the county assessor has the
65 burden of proof in the appeal, whether before a county board of equalization, the commission,
66 or a court.

67 Section 2. **Effective date.**

68 This bill takes effect January 1, 2023.