

Representative Mike Schultz proposes the following substitute bill:

TRANSPORTATION TAX AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Mike Schultz

Senate Sponsor: _____

LONG TITLE

General Description:

This bill reduces the tax on motor fuel, increases vehicle registration fees, and imposes a tax on the sale of electricity for electric vehicle charging.

Highlighted Provisions:

This bill:

- increases vehicle registration fees by \$5;
- reduces the tax on motor fuel;
- imposes a tax on the sale of electricity at an electric vehicle charging station and deposits the revenue into the Transportation Fund; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

41-1a-1206, as last amended by Laws of Utah 2022, Chapters 56, 259

59-13-201, as last amended by Laws of Utah 2022, Chapter 68



ENACTS:

59-30-101, Utah Code Annotated 1953

59-30-102, Utah Code Annotated 1953

59-30-103, Utah Code Annotated 1953

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

Section 1. Section **41-1a-1206** is amended to read:

41-1a-1206. Registration fees -- Fees by gross laden weight.

(1) Except as provided in Subsections (2) and (3), at the time application is made for registration or renewal of registration of a vehicle or combination of vehicles under this chapter, a registration fee shall be paid to the division as follows:

(a) \$46.00 for each motorcycle;

(b) \$44 for each motor vehicle of 12,000 pounds or less gross laden weight, excluding motorcycles;

(c) unless the semitrailer or trailer is exempt from registration under Section **41-1a-202** or is registered under Section **41-1a-301**:

(i) \$31 for each trailer or semitrailer over 750 pounds gross unladen weight; or

(ii) \$28.50 for each commercial trailer or commercial semitrailer of 750 pounds or less gross unladen weight;

(d) (i) \$53 for each farm truck over 12,000 pounds, but not exceeding 14,000 pounds gross laden weight; plus

(ii) \$9 for each 2,000 pounds over 14,000 pounds gross laden weight;

(e) (i) \$69.50 for each motor vehicle or combination of motor vehicles, excluding farm trucks, over 12,000 pounds, but not exceeding 14,000 pounds gross laden weight; plus

(ii) \$19 for each 2,000 pounds over 14,000 pounds gross laden weight;

(f) (i) \$69.50 for each park model recreational vehicle over 12,000 pounds, but not exceeding 14,000 pounds gross laden weight; plus

(ii) \$19 for each 2,000 pounds over 14,000 pounds gross laden weight;

(g) \$45 for each vintage vehicle that has a model year of 1981 or newer;

(h) in addition to the fee described in Subsection (1)(b):

(i) an amount equal to the road usage charge cap described in Section **72-1-213.1** for:

(A) each electric motor vehicle; and

(B) Each motor vehicle not described in this Subsection (1)(h) that is fueled exclusively by a source other than motor fuel, diesel fuel, natural gas, or propane;

(ii) \$21.75 for each hybrid electric motor vehicle; and

(iii) \$56.50 for each plug-in hybrid electric motor vehicle; and

(i) in addition to the fee described in Subsection (1)(g), for a vintage vehicle that has a model year of 1981 or newer, 50 cents.

(2) (a) At the time application is made for registration or renewal of registration of a vehicle under this chapter for a six-month registration period under Section 41-1a-215.5, a registration fee shall be paid to the division as follows:

(i) \$34.50 for each motorcycle; and

(ii) \$33.50 for each motor vehicle of 12,000 pounds or less gross laden weight, excluding motorcycles.

(b) In addition to the fee described in Subsection (2)(a)(ii), for registration or renewal of registration of a vehicle under this chapter for a six-month registration period under Section 41-1a-215.5 a registration fee shall be paid to the division as follows:

(i) an amount equal to the road usage charge cap described in Section 72-1-213.1 for:

(A) each electric motor vehicle; and

(B) each motor vehicle not described in this Subsection (2)(b) that is fueled exclusively by a source other than motor fuel, diesel fuel, natural gas, or propane;

(ii) \$16.50 for each hybrid electric motor vehicle; and

(iii) \$43.50 for each plug-in hybrid electric motor vehicle.

(3) (a) Beginning on January 1, 2024, at the time of registration:

(i) in addition to the amounts described in Subsections (1)(a), (1)(b), (1)(c)(i), (1)(c)(ii), (1)(d)(i), (1)(e)(i), (1)(f)(i), (1)(g), (4)(a), and (7), the individual shall also pay an additional \$5 as part of the registration fee; and

(ii) in addition to the amounts described in Subsections (2)(a), the individual shall also pay an additional \$3 as part of the registration fee.

~~[(a)]~~ (b) (i) Beginning on January 1, 2019, the commission shall, on January 1, annually adjust the registration fees described in Subsections (1)(a), (1)(b), (1)(c)(i), (1)(c)(ii), (1)(d)(i), (1)(e)(i), (1)(f)(i), (1)(g), (2)(a), (3)(a), (4)(a), and (7), by taking the registration fee

rate for the previous year and adding an amount equal to the greater of:

(A) an amount calculated by multiplying the registration fee of the previous year by the actual percentage change during the previous fiscal year in the Consumer Price Index; and

(B) 0.

(ii) Beginning on January 1, 2024, the commission shall, on January 1, annually adjust the registration fees described in Subsections (1)(h)(ii) and (iii) and (2)(b)(ii) and (iii) by taking the registration fee rate for the previous year and adding an amount equal to the greater of:

(A) an amount calculated by multiplying the registration fee of the previous year by the actual percentage change during the previous fiscal year in the Consumer Price Index; and

(B) 0.

~~[(b)]~~ (c) The amounts calculated as described in Subsection ~~[(3)(a)]~~ (3)(b) shall be rounded up to the nearest 25 cents.

(4) (a) The initial registration fee for a vintage vehicle that has a model year of 1980 or older is \$40.

(b) A vintage vehicle that has a model year of 1980 or older is exempt from the renewal of registration fees under Subsection (1).

(c) A vehicle with a Purple Heart special group license plate issued in accordance with Section 41-1a-421 is exempt from the registration fees under Subsection (1).

(d) A camper is exempt from the registration fees under Subsection (1).

(5) If a motor vehicle is operated in combination with a semitrailer or trailer, each motor vehicle shall register for the total gross laden weight of all units of the combination if the total gross laden weight of the combination exceeds 12,000 pounds.

(6) (a) Registration fee categories under this section are based on the gross laden weight declared in the licensee's application for registration.

(b) Gross laden weight shall be computed in units of 2,000 pounds. A fractional part of 2,000 pounds is a full unit.

(7) The owner of a commercial trailer or commercial semitrailer may, as an alternative to registering under Subsection (1)(c), apply for and obtain a special registration and license plate for a fee of \$130.

(8) Except as provided in Section 41-6a-1642, a truck may not be registered as a farm truck unless:

(a) the truck meets the definition of a farm truck under Section 41-1a-102; and

(b) (i) the truck has a gross vehicle weight rating of more than 12,000 pounds; or

(ii) the truck has a gross vehicle weight rating of 12,000 pounds or less and the owner submits to the division a certificate of emissions inspection or a waiver in compliance with Section 41-6a-1642.

(9) A violation of Subsection (8) is an infraction that shall be punished by a fine of not less than \$200.

(10) Trucks used exclusively to pump cement, bore wells, or perform crane services with a crane lift capacity of five or more tons, are exempt from 50% of the amount of the fees required for those vehicles under this section.

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 and except as provided in Subsection (1)(e), a tax is imposed at the rate of ~~[16.5]~~ 15.6% 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.

(b) (i) Until December 31, 2018, and subject to the requirements under Subsection (1)(c), the statewide average rack price of a gallon of motor fuel under Subsection (1)(a) shall be determined by calculating the previous fiscal year statewide average rack price of a gallon of regular unleaded motor fuel, excluding federal and state excise taxes, for the 12 months ending on the previous June 30 as published by an oil pricing service.

(ii) Beginning on January 1, 2019, and subject to the requirements under Subsection (1)(c), the statewide average rack price of a gallon of motor fuel under Subsection (1)(a) shall be determined by calculating the previous three fiscal years statewide average rack price of a gallon of regular unleaded motor fuel, excluding federal and state excise taxes, for the 36 months ending on the previous June 30 as published by an oil pricing service.

(c) (i) Subject to the requirement in Subsection (1)(c)(ii), the statewide average rack price of a gallon of motor fuel determined under Subsection (1)(b) may not be less than \$1.78 per gallon.

(ii) Beginning on January 1, 2019, the commission shall, on January 1, annually adjust the minimum statewide average rack price of a gallon of motor fuel described in Subsection (1)(c)(i) by taking the minimum statewide average rack price of a gallon of motor fuel for the previous calendar year and adding an amount equal to the greater of:

(A) an amount calculated by multiplying the minimum statewide average rack price of a gallon of motor fuel for the previous calendar year by the actual percent change during the previous fiscal year in the Consumer Price Index; and

(B) 0.

(iii) The statewide average rack price of a gallon of motor fuel determined by the commission under Subsection (1)(b) may not exceed \$2.43 per gallon.

(iv) The minimum statewide average rack price of a gallon of motor fuel described and adjusted under Subsections (1)(c)(i) and (ii) may not exceed the maximum statewide average rack price of a gallon of motor fuel under Subsection (1)(c)(iii).

(d) (i) The commission shall annually:

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

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

(C) publish the adjusted fuel tax as a cents per gallon rate; and

(D) post or otherwise make public the adjusted fuel tax rate as determined in Subsection (1)(d)(i)(B) no later than 60 days before the annual effective date under Subsection (1)(d)(ii).

(ii) The tax rate imposed under this Subsection (1) and adjusted as required under Subsection (1)(d)(i) shall take effect on January 1 of each year.

(e) In lieu of the tax imposed under Subsection (1)(a) and subject to the provisions of this section, a tax is imposed at the rate of 3/19 of the rate imposed under Subsection (1)(a), 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 tax rate 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:

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

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

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

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

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

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

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

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

200 (6) (a) The commission shall determine what amount of motor fuel tax revenue is
201 received from the sale or use of motor fuel used in motorboats registered under Title 73,
202 Chapter 18, State Boating Act, and this amount shall be deposited into a restricted revenue
203 account in the General Fund of the state.

204 (b) The funds from this account shall be used for the construction, improvement,
205 operation, and maintenance of state-owned boating facilities and for the payment of the costs
206 and expenses of the Division of Outdoor Recreation in administering and enforcing Title 73,
207 Chapter 18, State Boating Act.

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

212 refund.

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

216 (8) (a) The commission shall refund annually into the Off-highway Vehicle Account in
217 the General Fund an amount equal to .5% of the motor fuel tax revenues collected under this
218 section.

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

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

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

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

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

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

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

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

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

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

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

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

242 (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:

(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 **59-30-101** is enacted to read:

CHAPTER 30. ELECTRIC VEHICLE CHARGING TAX

Part 1. Electric Vehicle Charging Tax

59-30-101. Definitions.

As used in this chapter:

(1) "Charging station" means equipment designed to deliver electric energy to an electric vehicle for a fee.

(2) "Charging station operator" means a person who owns or operates a charging station in the state.

(3) "Electric vehicle" means a qualifying electric vehicle or qualifying plug-in hybrid vehicle.

(4) "Qualifying electric vehicle" means the same as that term is defined in Section [11-42a-102](#).

(5) "Qualifying plug-in hybrid vehicle" means the same as that term is defined in Section [11-42a-102](#).

Section 4. Section **59-30-102** is enacted to read:

59-30-102. Imposition -- Rate -- Revenue distribution.

(1) There is levied a tax upon the retail sale of electric current sold by a charging station operator to charge or recharge an electric vehicle.

305 (2) The tax levied under Subsection (1) is imposed at a rate of 12.5%.

306 (3) (a) A charging station operator shall remit a return on the tax imposed in
307 Subsection (1) in an electronic format approved by the commission on the same schedule as the
308 charging station operator's sales and use tax filing.

309 (b) The return described in Subsection (3)(a) is due and payable according to the same
310 terms and schedule as the charging station operator's sales and use tax remittance schedule.

311 (4) (a) Each charging station operator shall furnish with each sale an itemized invoice,
312 including:

313 (i) the name of the charging station operator;

314 (ii) the date of sale;

315 (iii) the number of kilowatt hours sold;

316 (iv) the sales price per kilowatt hour; and

317 (v) the total sales price of the transaction.

318 (b) The invoice shall indicate on a separate line the tax imposed under Subsection (1).

319 (5) In addition to the tax required by this part, a charging station operator shall pay a
320 penalty as provided in Section 59-1-401, plus interest at the rate and in the manner prescribed
321 in Section 59-1-402, if the charging station operator subject to this section fails to:

322 (a) pay the tax prescribed by this section;

323 (b) pay the tax on time; or

324 (c) file a return required by this section.

325 (6) The commission shall deposit revenue from the tax imposed in Subsection (1) into
326 the Transportation Fund.

327 Section 5. Section **59-30-103** is enacted to read:

328 **59-30-103. Collection of electric vehicle charging tax.**

329 (1) The commission shall administer, collect, and enforce a tax under this chapter in
330 accordance with:

331 (a) Chapter 1, General Taxation Policies; and

332 (b) the same procedures used to administer, collect, and enforce the tax under Chapter
333 12, Part 1, Tax Collection.

334 (2) A charging station operator required to collect a tax under this chapter may retain
335 6% of any amounts the seller is required to remit to the commission under this chapter for the

336 costs of collecting the tax.

337 (3) The commission shall retain and deposit an administrative charge in accordance
338 with Section [59-1-306](#) from the revenues the commission collects from a tax under this
339 chapter.

340 **Section 6. Effective date.**

341 This bill takes effect on January 1, 2024.