

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

**HYDROGEN TAX CREDIT AMENDMENTS**

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Douglas V. Sagers**

Senate Sponsor: \_\_\_\_\_

---

---

**LONG TITLE**

**General Description:**

This bill modifies definitions related to qualification for a high cost infrastructure development tax credit.

**Highlighted Provisions:**

This bill:

► modifies the definitions of "high cost infrastructure project" and "infrastructure" for purposes of qualifying for a high cost infrastructure tax development tax credit.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides retrospective operation.

**Utah Code Sections Affected:**

AMENDS:

**79-6-602**, as renumbered and amended by Laws of Utah 2021, Chapter 280

---

---

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

Section 1. Section **79-6-602** is amended to read:

**79-6-602. Definitions.**

As used in this part:

(1) "Applicant" means a person that conducts business in the state and that applies for a



28 tax credit under this part.

29 (2) "Fuel standard compliance project" means a project designed to retrofit a fuel  
30 refinery in order to make the refinery capable of producing fuel that complies with the United  
31 States Environmental Protection Agency's Tier 3 gasoline sulfur standard described in 40  
32 C.F.R. Sec. 79.54.

33 (3) "High cost infrastructure project" means a project:

34 (a) (i) that expands or creates new industrial, mining, manufacturing, or agriculture  
35 activity in the state, not including a retail business;

36 (ii) that involves new investment of at least \$50,000,000 in an existing industrial,  
37 mining, manufacturing, or agriculture entity, by the entity; or

38 (iii) for the construction of a plant, a pipeline, or other facility, including a fueling  
39 station, for the storage, production, or distribution of hydrogen fuel produced using renewable  
40 energy, as defined in Section 54-17-601, and used for transportation, electricity generation, or  
41 industrial use;

42 (b) that requires or is directly facilitated by infrastructure construction; and

43 (c) for which the cost of infrastructure construction to the entity creating the project is  
44 greater than:

45 (i) 10% of the total cost of the project; or

46 (ii) \$10,000,000.

47 (4) "Infrastructure" means:

48 (a) an energy delivery project as defined in Section 63H-2-102;

49 (b) a railroad as defined in Section 54-2-1;

50 (c) a fuel standard compliance project;

51 (d) a road improvement project;

52 (e) a water self-supply project;

53 (f) a water removal system project;

54 (g) a solution-mined subsurface salt cavern; ~~[or]~~

55 (h) a project that is designed to:

56 (i) increase the capacity for water delivery to a water user in the state; or

57 (ii) increase the capability of an existing water delivery system or related facility to  
58 deliver water to a water user in the state[-]; or

59 (i) a hydrogen fuel production or distribution project.

60 (5) (a) "Infrastructure cost-burdened entity" means an applicant that enters into an  
61 agreement with the office that qualifies the applicant to receive a tax credit as provided in this  
62 part.

63 (b) "Infrastructure cost-burdened entity" includes a pass-through entity taxpayer, as  
64 defined in Section 59-10-1402, of a person described in Subsection (5)(a).

65 (6) "Infrastructure-related revenue" means an amount of tax revenue, for an entity  
66 creating a high cost infrastructure project, in a taxable year, that is directly attributable to a high  
67 cost infrastructure project, under:

68 (a) Title 59, Chapter 7, Corporate Franchise and Income Taxes;

69 (b) Title 59, Chapter 10, Individual Income Tax Act; and

70 (c) Title 59, Chapter 12, Sales and Use Tax Act.

71 (7) "Office" means the Office of Energy Development created in Section 79-6-401.

72 (8) "Tax credit" means a tax credit under Section 59-7-619 or 59-10-1034.

73 (9) "Tax credit certificate" means a certificate issued by the office to an infrastructure  
74 cost-burdened entity that:

75 (a) lists the name of the infrastructure cost-burdened entity;

76 (b) lists the infrastructure cost-burdened entity's taxpayer identification number;

77 (c) lists, for a taxable year, the amount of the tax credit authorized for the infrastructure  
78 cost-burdened entity under this part; and

79 (d) includes other information as determined by the office.

80 **Section 2. Retrospective operation.**

81 This bill has retrospective operation for a taxable year beginning on or after January 1,  
82 2022.