

**TAX ISSUES AMENDMENTS**

2016 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Steve Eliason**

Senate Sponsor: Curtis S. Bramble

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**LONG TITLE**

**General Description:**

This bill addresses tax issues.

**Highlighted Provisions:**

This bill:

- ▶ clarifies from which fund payments for certain tax credits should be paid;
- ▶ addresses the circumstances for which a transfer is made from the General Fund into the Education Fund for tax credits related to energy efficient vehicles;
- ▶ addresses payment transfers for various tax credits and refunds; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**59-2-1208**, as last amended by Laws of Utah 2009, Chapter 302

**59-2-1209**, as last amended by Laws of Utah 2009, Chapter 302

**59-7-605**, as last amended by Laws of Utah 2015, Chapters 381 and 439

**59-7-614.1**, as last amended by Laws of Utah 2008, Chapter 382

**59-7-618**, as enacted by Laws of Utah 2015, Chapter 467

**59-10-1005**, as last amended by Laws of Utah 2007, Chapter 122

**59-10-1009**, as last amended by Laws of Utah 2015, Chapters 381 and 439

30 **59-10-1033**, as enacted by Laws of Utah 2015, Chapter 467  
 31 **59-10-1105**, as last amended by Laws of Utah 2008, Chapter 382  
 32 **59-13-202**, as last amended by Laws of Utah 2006, Chapter 223



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

35 Section 1. Section **59-2-1208** is amended to read:

36 **59-2-1208. Amount of homeowner's credit -- Cost-of-living adjustment --**  
 37 **Limitation -- General Fund as source of credit.**

38 (1) (a) Subject to [~~Subsections~~] Subsection (2) [~~and (4)~~], for a calendar [~~years~~] year  
 39 beginning on or after January 1, 2007, a claimant may claim a homeowner's credit that does not  
 40 exceed the following amounts:

41	If household income is	Homeowner's credit
42	\$0 -- \$9,159	\$798
43	\$9,160 -- \$12,214	\$696
44	\$12,215 -- \$15,266	\$597
45	\$15,267 -- \$18,319	\$447
46	\$18,320 -- \$21,374	\$348
47	\$21,375 -- \$24,246	\$199
48	\$24,247 -- \$26,941	\$98

49 (b) (i) For a calendar [~~years~~] year beginning on or after January 1, 2008, the  
 50 commission shall increase or decrease the household income eligibility amounts and the credits  
 51 under Subsection (1)(a) by a percentage equal to the percentage difference between the  
 52 consumer price index for the preceding calendar year and the consumer price index for  
 53 calendar year 2006.

54 (ii) For purposes of Subsection (1)(b)(i), the commission shall calculate the consumer  
 55 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

56 (2) An individual who is claimed as a personal exemption on another individual's

57 individual income tax return during any portion of a calendar year for which the individual  
 58 seeks to claim a homeowner's credit under this section may not receive the homeowner's credit.

59 (3) ~~[The]~~ A payment for a homeowner's credit allowed by this section, and provided for  
 60 in Section 59-2-1204, shall be ~~[derived]~~ paid from the General Fund ~~[and appropriate transfers~~  
 61 ~~made to effectuate this credit]~~.

62 ~~[(4) (a) Subject to Subsection (4)(b), for purposes of calculating a claimant's household~~  
 63 ~~income to determine the amount of the claimant's homeowner's credit under Subsection (1), for~~  
 64 ~~the taxable year that begins on January 1, 2009 and ends on December 31, 2009, a claimant's~~  
 65 ~~household income shall be decreased by \$1,000 for a dependent with respect to whom a~~  
 66 ~~claimant is eligible to make a deduction as allowed as a personal exemption deduction on the~~  
 67 ~~claimant's federal individual income tax return for the taxable year for which the household~~  
 68 ~~income is calculated.]~~

69 ~~[(b) For purposes of Subsection (4)(a):]~~

70 ~~[(i) the maximum amount a claimant's household income may be decreased is \$1,000;~~  
 71 ~~and]~~

72 ~~[(ii) "dependent" does not include the claimant or the claimant's spouse.]~~

73 Section 2. Section **59-2-1209** is amended to read:

74 **59-2-1209. Amount of renter's credit -- Cost-of-living adjustment -- Renter's**  
 75 **credit may be claimed only for rent that does not constitute a rental assistance payment --**  
 76 **Limitation -- General Fund as source of credit -- Maximum credit.**

77 (1) (a) Subject to Subsections (2)[;] and (3), ~~[and (6);]~~ for a calendar ~~[years]~~ year  
 78 beginning on or after January 1, 2007, a claimant may claim a renter's credit for the previous  
 79 calendar year that does not exceed the following amounts:

80	If household income is	Percentage of rent allowed as a credit
81	\$0 -- \$9,159	9.5%
82	\$9,160 -- \$12,214	8.5%
83	\$12,215 -- \$15,266	7.0%

84	\$15,267 -- \$18,319	5.5%
85	\$18,320 -- \$21,374	4.0%
86	\$21,375 -- \$24,246	3.0%
87	\$24,247 -- \$26,941	2.5%

88 (b) (i) For a calendar [~~years~~] year beginning on or after January 1, 2008, the  
89 commission shall increase or decrease the household income eligibility amounts under  
90 Subsection (1)(a) by a percentage equal to the percentage difference between the consumer  
91 price index for the preceding calendar year and the consumer price index for calendar year  
92 2006.

93 (ii) For purposes of Subsection (1)(b)(i), the commission shall calculate the consumer  
94 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

95 (2) A claimant may claim a renter's credit under this part only for rent that does not  
96 constitute a rental assistance payment.

97 (3) An individual who is claimed as a personal exemption on another individual's  
98 individual income tax return during any portion of a calendar year for which the individual  
99 seeks to claim a renter's credit under this section may not receive a renter's credit.

100 (4) [~~The~~] A payment for a renter's credit allowed by this section, and provided for in  
101 Section ~~59-2-1204~~, shall be [~~derived~~] paid from the General Fund [~~and appropriate transfers~~  
102 ~~made to effectuate this credit~~].

103 (5) For calendar years beginning on or after January 1, 2007, a credit under this section  
104 may not exceed the maximum amount allowed as a homeowner's credit for each income  
105 bracket under Subsection ~~59-2-1208~~(1)(a).

106 [~~(6) (a) Subject to Subsection (6)(b), for purposes of calculating a claimant's household~~  
107 ~~income to determine the amount of the claimant's renter's credit under Subsection (1), for the~~  
108 ~~taxable year that begins on January 1, 2009 and ends on December 31, 2009, a claimant's~~  
109 ~~household income shall be decreased by \$1,000 for a dependent with respect to whom a~~  
110 ~~claimant is eligible to make a deduction as allowed as a personal exemption deduction on the~~

111 claimant's federal individual income tax return for the taxable year for which the household  
112 income is calculated.]

113 [~~(b) For purposes of Subsection (6)(a):~~]

114 [~~(i) the maximum amount a claimant's household income may be decreased is \$1,000;~~  
115 ~~and]~~

116 [~~(ii) "dependent" does not include the claimant or the claimant's spouse.]~~

117 Section 3. Section **59-7-605** is amended to read:

118 **59-7-605. Definitions -- Tax credits related to energy efficient vehicles.**

119 (1) As used in this section:

120 (a) "Air quality standards" means that a vehicle's emissions are equal to or cleaner than  
121 the standards established in bin 4 in Table S04-1, of 40 C.F.R. 86.1811-04(c)(6).

122 (b) "Board" means the Air Quality Board created under Title 19, Chapter 2, Air  
123 Conservation Act.

124 (c) "Certified by the board" means that:

125 (i) a motor vehicle on which conversion equipment has been installed meets the  
126 following criteria:

127 (A) before the installation of conversion equipment, the vehicle does not exceed the  
128 emission cut points for a transient test driving cycle, as specified in 40 C.F.R. Part 51,  
129 Appendix E to Subpart S, or an equivalent test for the make, model, and year of the vehicle;  
130 and

131 (B) as a result of the installation of conversion equipment on the motor vehicle, the  
132 motor vehicle has reduced emissions; or

133 (ii) special mobile equipment on which conversion equipment has been installed has  
134 reduced emissions.

135 (d) "Clean fuel grant" means a grant awarded:

136 (i) under Title 19, Chapter 1, Part 4, Clean Fuels and Vehicle Technology Program  
137 Act, for reimbursement of a portion of the incremental cost of an OEM vehicle or the cost of  
138 conversion equipment; or

139 (ii) under Title 19, Chapter 2, Part 3, Conversion to Alternative Fuel Grant Program.

140 (e) "Conversion equipment" means equipment described in Subsection (2)(d) or (e).

141 (f) "OEM vehicle" [~~has~~] means the same [~~meaning~~] as that term is defined in Section  
142 19-1-402.

143 (g) "Original purchase" means the purchase of a vehicle that has never been titled or  
144 registered and has been driven less than 7,500 miles.

145 (h) "Qualifying electric motorcycle" means a vehicle that:

146 (i) has a seat or saddle for the use of the rider;

147 (ii) is designed to travel with not more than three wheels in contact with the ground;

148 (iii) may lawfully be operated on a freeway, as defined in Section 41-6a-102;

149 (iv) is not fueled by natural gas;

150 (v) is fueled by electricity only; and

151 (vi) is an OEM vehicle except that the vehicle is fueled by a fuel described in  
152 Subsection (1)(h)(v).

153 (i) "Qualifying electric vehicle" means a vehicle that:

154 (i) meets air quality standards;

155 (ii) is not fueled by natural gas;

156 (iii) is fueled by electricity only; and

157 (iv) is an OEM vehicle except that the vehicle is fueled by a fuel described in  
158 Subsection (1)(i)(iii).

159 (j) "Qualifying plug-in hybrid vehicle" means a vehicle that:

160 (i) meets air quality standards;

161 (ii) is not fueled by natural gas or propane;

162 (iii) has a battery capacity that meets or exceeds the battery capacity described in  
163 Section 30D(b)(3), Internal Revenue Code; and

164 (iv) is fueled by a combination of electricity and:

165 (A) diesel fuel;

166 (B) gasoline; or

167 (C) a mixture of gasoline and ethanol.

168 (k) "Reduced emissions" means:

169 (i) for purposes of a motor vehicle on which conversion equipment has been installed,  
170 that the motor vehicle's emissions of regulated pollutants, when operating on a fuel listed in  
171 Subsection (2)(e)(i) or (ii), is less than the emissions were before the installation of the  
172 conversion equipment, as demonstrated by:

173 (A) certification of the conversion equipment by the federal Environmental Protection  
174 Agency or by a state that has certification standards recognized by the board;

175 (B) testing the motor vehicle, before and after installation of the conversion equipment,  
176 in accordance with 40 C.F.R. Part 86, Control of Emissions from New and In-use Highway  
177 Vehicles and Engines, using all fuel the motor vehicle is capable of using;

178 (C) for a retrofit natural gas vehicle that is retrofit in accordance with Section  
179 [19-1-406](#), testing that as a result of the retrofit, the retrofit natural gas vehicle satisfies the  
180 emission standards applicable under Section [19-1-406](#); or

181 (D) any other test or standard recognized by board rule, made in accordance with Title  
182 63G, Chapter 3, Utah Administrative Rulemaking Act; or

183 (ii) for purposes of special mobile equipment on which conversion equipment has been  
184 installed, that the special mobile equipment's emissions of regulated pollutants, when operating  
185 on a fuel listed in Subsection (2)(e)(i) or (ii), is less than the emissions were before the  
186 installation of conversion equipment, as demonstrated by:

187 (A) certification of the conversion equipment by the federal Environmental Protection  
188 Agency or by a state that has certification standards recognized by the board; or

189 (B) any other test or standard recognized by board rule, made in accordance with Title  
190 63G, Chapter 3, Utah Administrative Rulemaking Act.

191 (l) "Special mobile equipment":

192 (i) means any mobile equipment or vehicle that is not designed or used primarily for  
193 the transportation of persons or property; and

194 (ii) includes construction or maintenance equipment.

195 (2) For ~~[the]~~ a taxable ~~[years]~~ year beginning on or after January 1, 2015, but beginning  
196 on or before December 31, 2016, a taxpayer may claim a tax credit against tax otherwise due  
197 under this chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to  
198 Pay Corporate Franchise or Income Tax Act, in an amount equal to:

199 (a) (i) for the original purchase of a new qualifying electric vehicle that is registered in  
200 this state, the lesser of:

201 (A) \$1,500; or

202 (B) 35% of the purchase price of the vehicle; or

203 (ii) for the original purchase of a new qualifying plug-in hybrid vehicle that is  
204 registered in this state, \$1,000;

205 (b) for the original purchase of a new vehicle fueled by natural gas or propane that is  
206 registered in this state, the lesser of:

207 (i) \$1,500; or

208 (ii) 35% of the purchase price of the vehicle;

209 (c) for the original purchase of a new qualifying electric motorcycle that is registered in  
210 this state, the lesser of:

211 (i) \$750; or

212 (ii) 35% of the purchase price of the vehicle;

213 (d) 50% of the cost of equipment for conversion, if certified by the board, of a motor  
214 vehicle registered in this state minus the amount of any clean fuel grant received, up to a  
215 maximum tax credit of \$1,500 per motor vehicle, if the motor vehicle is to:

216 (i) be fueled by propane, natural gas, or electricity;

217 (ii) be fueled by other fuel the board determines annually on or before July 1 to be at  
218 least as effective in reducing air pollution as fuels under Subsection (2)(d)(i); or

219 (iii) meet the federal clean-fuel vehicle standards in the federal Clean Air Act  
220 Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.;

221 (e) 50% of the cost of equipment for conversion, if certified by the board, of a special  
222 mobile equipment engine minus the amount of any clean fuel grant received, up to a maximum



223 tax credit of \$1,000 per special mobile equipment engine, if the special mobile equipment is to  
224 be fueled by:

225 (i) propane, natural gas, or electricity; or

226 (ii) other fuel the board determines annually on or before July 1 to be:

227 (A) at least as effective in reducing air pollution as the fuels under Subsection (2)(e)(i);

228 or

229 (B) substantially more effective in reducing air pollution than the fuel for which the  
230 engine was originally designed; and

231 (f) for a lease of a vehicle described in Subsection (2)(a), (b), or (c), an amount equal to  
232 the product of:

233 (i) the amount of tax credit the taxpayer would otherwise qualify to claim under  
234 Subsection (2)(a), (b), or (c) had the taxpayer purchased the vehicle, except that the purchase  
235 price described in Subsection (2)(a)(i)(B), (2)(b)(ii), or (2)(c)(ii) is considered to be the value  
236 of the vehicle at the beginning of the lease; and

237 (ii) a percentage calculated by:

238 (A) determining the difference between the value of the vehicle at the beginning of the  
239 lease, as stated in the lease agreement, and the value of the vehicle at the end of the lease, as  
240 stated in the lease agreement; and

241 (B) dividing the difference determined under Subsection (2)(f)(ii)(A) by the value of  
242 the vehicle at the beginning of the lease, as stated in the lease agreement.

243 (3) (a) The board shall:

244 (i) determine the amount of tax credit a taxpayer is allowed under this section; and

245 (ii) provide the taxpayer with a written certification of the amount of tax credit the  
246 taxpayer is allowed under this section.

247 (b) A taxpayer shall provide proof of the purchase or lease of an item for which a tax  
248 credit is allowed under this section by:

249 (i) providing proof to the board in the form the board requires by rule;

250 (ii) receiving a written statement from the board acknowledging receipt of the proof;

251 and

252 (iii) retaining the written statement described in Subsection (3)(b)(ii).

253 (c) A taxpayer shall retain the written certification described in Subsection (3)(a)(ii).

254 (4) Except as provided by Subsection (5), the tax credit under this section is allowed

255 only:

256 (a) against a tax owed under this chapter or Chapter 8, Gross Receipts Tax on Certain  
257 Corporations Not Required to Pay Corporate Franchise or Income Tax Act, in the taxable year  
258 by the taxpayer;

259 (b) for the taxable year in which a vehicle described in Subsection (2)(a), (b), or (c) is  
260 purchased, a vehicle described in Subsection (2)(f) is leased, or conversion equipment  
261 described in Subsection (2)(d) or (e) is installed; and

262 (c) once per vehicle.

263 (5) A taxpayer may not assign a tax credit under this section to another person.

264 (6) If the amount of a tax credit claimed by a taxpayer under this section exceeds the  
265 taxpayer's tax liability under this chapter or Chapter 8, Gross Receipts Tax on Certain  
266 Corporations Not Required to Pay Corporate Franchise or Income Tax Act, for a taxable year,  
267 the amount of the tax credit exceeding the tax liability may be carried forward for a period that  
268 does not exceed the next five taxable years.

269 (7) In accordance with any rules prescribed by the commission under Subsection (8),  
270 the [~~commission~~] Division of Finance shall transfer at least annually from the General Fund  
271 into the Education Fund the amount by which the amount of tax credit claimed under this  
272 section for a [~~taxable~~] fiscal year exceeds \$500,000.

273 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
274 commission may make rules for making a transfer from the General Fund into the Education  
275 Fund as required by Subsection (7).

276 Section 4. Section **59-7-614.1** is amended to read:

277 **59-7-614.1. Refundable tax credit for hand tools used in farming operations --**

278 **Procedures for refund -- Transfers from General Fund to Education Fund -- Rulemaking**

279 authority.

280 (1) For a taxable [~~years~~] year beginning on or after January 1, 2004, a taxpayer may  
281 claim a refundable tax credit:

282 (a) as provided in this section;

283 (b) against taxes otherwise due under this chapter; and

284 (c) in an amount equal to the amount of tax the taxpayer pays:

285 (i) on a purchase of a hand tool:

286 (A) if the purchase is made on or after July 1, 2004;

287 (B) if the hand tool is used or consumed primarily and directly in a farming operation  
288 in the state; and

289 (C) if the unit purchase price of the hand tool is more than \$250; and

290 (ii) under Chapter 12, Sales and Use Tax Act, on the purchase described in Subsection  
291 (1)(c)(i).

292 (2) A taxpayer:

293 (a) shall retain the following to establish the amount of tax the resident or nonresident  
294 individual paid under Chapter 12, Sales and Use Tax Act, on the purchase described in  
295 Subsection (1)(c)(i):

296 (i) a receipt;

297 (ii) an invoice; or

298 (iii) a document similar to a document described in Subsection (2)(a)(i) or (ii); and

299 (b) may not carry forward or carry back a tax credit under this section.

300 (3) (a) In accordance with any rules prescribed by the commission under Subsection  
301 (3)(b)~~[-]~~:

302 (i) the commission shall~~[-(i)]~~ make a refund to a taxpayer that claims a tax credit under  
303 this section if the amount of the tax credit exceeds the taxpayer's tax liability under this  
304 chapter; and

305 (ii) the Division of Finance shall transfer at least annually from the General Fund into  
306 the Education Fund an amount equal to the amount of tax credit claimed under this section.

307 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
308 commission may make rules providing procedures for making:

- 309 (i) a refund to a taxpayer as required by Subsection (3)(a)(i); or
- 310 (ii) transfers from the General Fund into the Education Fund as required by Subsection  
311 (3)(a)(ii).

312 Section 5. Section **59-7-618** is amended to read:

313 **59-7-618. Tax credit related to natural gas heavy duty vehicles.**

314 (1) As used in this section:

315 (a) "Board" means the Air Quality Board created under Title 19, Chapter 2, Air  
316 Conservation Act.

317 (b) "Heavy duty vehicle" means a commercial category 7 or 8 vehicle, according to  
318 vehicle classifications established by the Federal Highway Administration.

319 (c) "Natural gas" includes compressed natural gas and liquified natural gas.

320 (d) "Qualified heavy duty vehicle" means a heavy duty vehicle that:

- 321 (i) has never been titled or registered and has been driven less than 7,500 miles; and
- 322 (ii) is fueled by natural gas.

323 (e) "Qualified purchase" means the purchase of a qualified heavy duty vehicle.

324 (f) "Qualified taxpayer" means a taxpayer who:

- 325 (i) purchases a qualified heavy duty vehicle; and
- 326 (ii) receives a tax credit certificate from the board.

327 (g) "Small fleet" means 40 or fewer heavy duty vehicles registered in the state and  
328 owned by a single taxpayer.

329 (h) "Tax credit certificate" means a certificate issued by the board certifying that a  
330 taxpayer is entitled to a tax credit as provided in this section and stating the amount of the tax  
331 credit.

332 (2) For a taxable year beginning on or after January 1, 2015, a qualified taxpayer may  
333 claim a tax credit against tax otherwise due under this chapter or Chapter 8, Gross Receipts  
334 Tax on Certain Corporations Not Required to Pay Corporate Franchise or Income Tax Act:

335 (a) in an amount equal to:

336 (i) \$25,000, if the qualified purchase occurs during calendar year 2015, calendar year

337 2016, or calendar year 2017;

338 (ii) \$20,000, if the qualified purchase occurs during calendar year 2018;

339 (iii) \$18,000, if the qualified purchase occurs during calendar year 2019; and

340 (iv) \$15,000, if the qualified purchase occurs during calendar year 2020; and

341 (b) if the taxpayer certifies under oath that over 50% of the miles that the heavy duty

342 vehicle that is the subject of the qualified purchase will travel annually will be within the state.

343 (3) (a) Except as provided in Subsection (3)(b), a taxpayer may not submit an

344 application for, and the board may not issue to the taxpayer, a tax credit certificate under this

345 section in any taxable year for a qualifying purchase if the board has already issued tax credit

346 certificates to the taxpayer for 10 qualifying purchases in the same taxable year.

347 (b) If, by May 1 of any year, more than 30% of the aggregate annual total amount of

348 tax credits under Subsection (5) has not been claimed, a taxpayer may submit an application

349 for, and the board may issue to the taxpayer, one or more tax credit certificates for up to eight

350 additional qualifying purchases, even if the board has already issued to that taxpayer tax credit

351 certificates for the maximum number of qualifying purchases allowed under Subsection (3)(a).

352 (4) (a) Subject to Subsection (4)(b), the board shall reserve 25% of all tax credits

353 available under this section for taxpayers with a small fleet.

354 (b) Subsection (4)(a) does not prevent a taxpayer from submitting an application for, or

355 the board from issuing, a tax credit certificate if the amount reserved under Subsection (4)(a)

356 for taxpayers with a small fleet has not been claimed by a date that is 90 days before the end of

357 the year.

358 (5) (a) The aggregate annual total amount of tax credits represented by tax credit

359 certificates that the board issues under this section, when combined with the aggregate annual

360 total amount of tax credits represented by tax credit certificates that the board issues under

361 Section [59-10-1033](#), may not exceed \$500,000.

362 (b) The board shall, in accordance with Title 63G, Chapter 3, Utah Administrative

363 Rulemaking Act, make rules to establish a process whereby a taxpayer may reserve a potential  
364 tax credit under this section for a limited time to allow the taxpayer to make a qualifying  
365 purchase with the assurance that the aggregate limit under Subsection (5)(a) will not be met  
366 before the taxpayer is able to submit an application for a tax credit certificate.

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

369 (A) submit to the board an application for a tax credit;

370 (B) provide the board proof of a qualifying purchase; and

371 (C) submit to the board the certification under oath required under Subsection (2)(b).

372 (ii) Upon receiving the application, proof, and certification required under Subsection  
373 (6)(a)(i), the board shall provide the taxpayer a written statement from the board  
374 acknowledging receipt of the proof.

375 (b) If the board determines that a taxpayer qualifies for a tax credit under this section,  
376 the board shall:

377 (i) determine the amount of tax credit the taxpayer is allowed under this section; and

378 (ii) provide the qualifying taxpayer with a written tax credit certificate:

379 (A) stating that the taxpayer has qualified for a tax credit; and

380 (B) showing the amount of tax credit for which the taxpayer has qualified under this  
381 section.

382 (c) A taxpayer shall retain the tax credit certificate.

383 (d) The board shall at least annually submit to the commission a list of all taxpayers to  
384 whom the board has issued a tax credit certificate and the amount of each tax credit represented  
385 by the tax credit certificates.

386 (7) The tax credit under this section is allowed only:

387 (a) against a tax owed under this chapter or Chapter 8, Gross Receipts Tax on Certain  
388 Corporations Not Required to Pay Corporate Franchise or Income Tax Act, in the taxable year  
389 by the qualified taxpayer;

390 (b) for the taxable year in which the qualifying purchase occurs; and

391 (c) once per vehicle.

392 (8) A qualifying taxpayer may not assign a tax credit or a tax credit certificate under  
393 this section to another person.

394 (9) If the amount of a tax credit claimed by a qualifying taxpayer under this section  
395 exceeds the qualifying taxpayer's tax liability under this chapter or Chapter 8, Gross Receipts  
396 Tax on Certain Corporations Not Required to Pay Corporate Franchise or Income Tax Act, for  
397 a taxable year, the amount of the tax credit exceeding the tax liability may be carried forward  
398 for a period that does not exceed the next five taxable years.

399 (10) (a) In accordance with any rules prescribed by the commission under Subsection  
400 (10)(b), the [~~commission~~] Division of Finance shall transfer at least annually from the General  
401 Fund into the Education Fund the aggregate amount of all tax credits claimed under this  
402 section.

403 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
404 commission may make rules for making a transfer from the General Fund into the Education  
405 Fund as required by Subsection (10)(a).

406 Section 6. Section **59-10-1005** is amended to read:

407 **59-10-1005. Tax credit for at-home parent.**

408 (1) As used in this section:

409 (a) "At-home parent" means a parent:

410 (i) who provides full-time care at the parent's residence for one or more of the parent's  
411 own qualifying children;

412 (ii) who claims the qualifying child as a dependent on the parent's individual income  
413 tax return for the taxable year for which the parent claims the credit; and

414 (iii) if the sum of the following amounts are \$3,000 or less for the taxable year for  
415 which the parent claims the credit:

416 (A) the total wages, tips, and other compensation listed on all of the parent's federal  
417 Forms W-2; and

418 (B) the gross income listed on the parent's federal Form 1040 Schedule C, Profit or

419 Loss From Business.

420 (b) "Parent" means an individual who:

421 (i) is the biological mother or father of a qualifying child;

422 (ii) is the stepfather or stepmother of a qualifying child;

423 (iii) (A) legally adopts a qualifying child; or

424 (B) has a qualifying child placed in the individual's home:

425 (I) by a child placing agency as defined in Section 62A-4a-601; and

426 (II) for the purpose of legally adopting the child;

427 (iv) is a foster parent of a qualifying child; or

428 (v) is a legal guardian of a qualifying child.

429 (c) "Qualifying child" means a child who is no more than 12 months of age on the last  
430 day of the taxable year for which the tax credit is claimed.

431 (2) For a taxable [years] year beginning on or after January 1, 2000, a claimant may  
432 claim on the claimant's individual income tax return a nonrefundable tax credit of \$100 for  
433 each qualifying child if:

434 (a) the claimant or another claimant filing a joint individual income tax return with the  
435 claimant is an at-home parent; and

436 (b) the adjusted gross income of all of the claimants filing the individual income tax  
437 return is less than or equal to \$50,000.

438 (3) A claimant may not carry forward or carry back a tax credit authorized by this  
439 section.

440 [~~(4) It is the intent of the Legislature that for fiscal years beginning on or after fiscal  
441 year 2000-01, the Legislature appropriate from the General Fund a sufficient amount to replace  
442 Education Fund revenues expended to provide for the tax credit under this section.~~]

443 (4) (a) In accordance with any rules prescribed by the commission under Subsection  
444 (4)(b), the Division of Finance shall transfer at least annually from the General Fund into the  
445 Education Fund the aggregate amount of all tax credits claimed under this section.

446 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the



447 commission may make rules for making a transfer from the General Fund into the Education  
448 Fund as required by Subsection (4)(a).

449 Section 7. Section **59-10-1009** is amended to read:

450 **59-10-1009. Definitions -- Tax credits related to energy efficient vehicles.**

451 (1) As used in this section:

452 (a) "Air quality standards" means that a vehicle's emissions are equal to or cleaner than  
453 the standards established in bin 4 in Table S04-1, of 40 C.F.R. 86.1811-04(c)(6).

454 (b) "Board" means the Air Quality Board created in Title 19, Chapter 2, Air  
455 Conservation Act.

456 (c) "Certified by the board" means that:

457 (i) a motor vehicle on which conversion equipment has been installed meets the  
458 following criteria:

459 (A) before the installation of conversion equipment, the vehicle does not exceed the  
460 emission cut points for a transient test driving cycle, as specified in 40 C.F.R. Part 51,  
461 Appendix E to Subpart S, or an equivalent test for the make, model, and year of the vehicle;  
462 and

463 (B) as a result of the installation of conversion equipment on the motor vehicle, the  
464 motor vehicle has reduced emissions; or

465 (ii) special mobile equipment on which conversion equipment has been installed has  
466 reduced emissions.

467 (d) "Clean fuel grant" means a grant a claimant, estate, or trust receives under Title 19,  
468 Chapter 1, Part 4, Clean Fuels and Vehicle Technology Program Act or Title 19, Chapter 2,  
469 Part 3, Conversion to Alternative Fuel Grant Program, for reimbursement of a portion of the  
470 incremental cost of the OEM vehicle or the cost of conversion equipment.

471 (e) "Conversion equipment" means equipment described in Subsection (2)(d) or (e).

472 (f) "OEM vehicle" [~~has~~] means the same [~~meaning~~] as that term is defined in Section  
473 [19-1-402](#).

474 (g) "Original purchase" means the purchase of a vehicle that has never been titled or

475 registered and has been driven less than 7,500 miles.

476 (h) "Qualifying electric motorcycle" means a vehicle that:

477 (i) has a seat or saddle for the use of the rider;

478 (ii) is designed to travel with not more than three wheels in contact with the ground;

479 (iii) may lawfully be operated on a freeway, as defined in Section [41-6a-102](#);

480 (iv) is not fueled by natural gas;

481 (v) is fueled by electricity only; and

482 (vi) is an OEM vehicle except that the vehicle is fueled by a fuel described in

483 Subsection (1)(h)(v).

484 (i) "Qualifying electric vehicle" means a vehicle that:

485 (i) meets air quality standards;

486 (ii) is not fueled by natural gas;

487 (iii) is fueled by electricity only; and

488 (iv) is an OEM vehicle except that the vehicle is fueled by a fuel described in

489 Subsection (1)(i)(iii).

490 (j) "Qualifying plug-in hybrid vehicle" means a vehicle that:

491 (i) meets air quality standards;

492 (ii) is not fueled by natural gas or propane;

493 (iii) has a battery capacity that meets or exceeds the battery capacity described in

494 Section 30D(b)(3), Internal Revenue Code; and

495 (iv) is fueled by a combination of electricity and:

496 (A) diesel fuel;

497 (B) gasoline; or

498 (C) a mixture of gasoline and ethanol.

499 (k) "Reduced emissions" means:

500 (i) for purposes of a motor vehicle on which conversion equipment has been installed,

501 that the motor vehicle's emissions of regulated pollutants, when operating on a fuel listed in

502 Subsection (2)(e)(i) or (ii), is less than the emissions were before the installation of the

503 conversion equipment, as demonstrated by:

504 (A) certification of the conversion equipment by the federal Environmental Protection  
505 Agency or by a state that has certification standards recognized by the board;

506 (B) testing the motor vehicle, before and after installation of the conversion equipment,  
507 in accordance with 40 C.F.R. Part 86, Control of Emissions from New and In-use Highway  
508 Vehicles and Engines, using all fuel the motor vehicle is capable of using;

509 (C) for a retrofit natural gas vehicle that is retrofit in accordance with Section  
510 19-1-406, testing that as a result of the retrofit, the retrofit natural gas vehicle satisfies the  
511 emission standards applicable under Section 19-1-406; or

512 (D) any other test or standard recognized by board rule, made in accordance with Title  
513 63G, Chapter 3, Utah Administrative Rulemaking Act; or

514 (ii) for purposes of special mobile equipment on which conversion equipment has been  
515 installed, that the special mobile equipment's emissions of regulated pollutants, when operating  
516 on a fuel listed in Subsection (2)(e)(i) or (ii), is less than the emissions were before the  
517 installation of conversion equipment, as demonstrated by:

518 (A) certification of the conversion equipment by the federal Environmental Protection  
519 Agency or by a state that has certification standards recognized by the board; or

520 (B) any other test or standard recognized by board rule, made in accordance with Title  
521 63G, Chapter 3, Utah Administrative Rulemaking Act.

522 (1) "Special mobile equipment":

523 (i) means any mobile equipment or vehicle not designed or used primarily for the  
524 transportation of persons or property; and

525 (ii) includes construction or maintenance equipment.

526 (2) For ~~the~~ a taxable ~~years~~ year beginning on or after January 1, 2015, but beginning  
527 on or before December 31, 2016, a claimant, estate, or trust may claim a nonrefundable tax  
528 credit against tax otherwise due under this chapter in an amount equal to:

529 (a) (i) for the original purchase of a new qualifying electric vehicle that is registered in  
530 this state, the lesser of:

531 (A) \$1,500; or  
532 (B) 35% of the purchase price of the vehicle; or  
533 (ii) for the original purchase of a new qualifying plug-in hybrid vehicle that is  
534 registered in this state, \$1,000;  
535 (b) for the original purchase of a new vehicle fueled by natural gas or propane that is  
536 registered in this state, the lesser of:  
537 (i) \$1,500; or  
538 (ii) 35% of the purchase price of the vehicle;  
539 (c) for the original purchase of a new qualifying electric motorcycle that is registered in  
540 this state, the lesser of:  
541 (i) \$750; or  
542 (ii) 35% of the purchase price of the vehicle;  
543 (d) 50% of the cost of equipment for conversion, if certified by the board, of a motor  
544 vehicle registered in this state minus the amount of any clean fuel grant received, up to a  
545 maximum tax credit of \$1,500 per vehicle, if the motor vehicle:  
546 (i) is to be fueled by propane, natural gas, or electricity;  
547 (ii) is to be fueled by other fuel the board determines annually on or before July 1 to be  
548 at least as effective in reducing air pollution as fuels under Subsection (2)(d)(i); or  
549 (iii) will meet the federal clean fuel vehicle standards in the federal Clean Air Act  
550 Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.;  
551 (e) 50% of the cost of equipment for conversion, if certified by the board, of a special  
552 mobile equipment engine minus the amount of any clean fuel grant received, up to a maximum  
553 tax credit of \$1,000 per special mobile equipment engine, if the special mobile equipment is to  
554 be fueled by:  
555 (i) propane, natural gas, or electricity; or  
556 (ii) other fuel the board determines annually on or before July 1 to be:  
557 (A) at least as effective in reducing air pollution as the fuels under Subsection (2)(e)(i);  
558 or

559 (B) substantially more effective in reducing air pollution than the fuel for which the  
560 engine was originally designed; and

561 (f) for a lease of a vehicle described in Subsection (2)(a), (b), or (c), an amount equal to  
562 the product of:

563 (i) the amount of tax credit the claimant, estate, or trust would otherwise qualify to  
564 claim under Subsection (2)(a), (b), or (c) had the claimant, estate, or trust purchased the  
565 vehicle, except that the purchase price described in Subsection (2)(a)(i)(B), (2)(b)(ii), or  
566 (2)(c)(ii) is considered to be the value of the vehicle at the beginning of the lease; and

567 (ii) a percentage calculated by:

568 (A) determining the difference between the value of the vehicle at the beginning of the  
569 lease, as stated in the lease agreement, and the value of the vehicle at the end of the lease, as  
570 stated in the lease agreement; and

571 (B) dividing the difference determined under Subsection (2)(f)(ii)(A) by the value of  
572 the vehicle at the beginning of the lease, as stated in the lease agreement.

573 (3) (a) The board shall:

574 (i) determine the amount of tax credit a claimant, estate, or trust is allowed under this  
575 section; and

576 (ii) provide the claimant, estate, or trust with a written certification of the amount of  
577 tax credit the claimant, estate, or trust is allowed under this section.

578 (b) A claimant, estate, or trust shall provide proof of the purchase or lease of an item  
579 for which a tax credit is allowed under this section by:

580 (i) providing proof to the board in the form the board requires by rule;

581 (ii) receiving a written statement from the board acknowledging receipt of the proof;

582 and

583 (iii) retaining the written statement described in Subsection (3)(b)(ii).

584 (c) A claimant, estate, or trust shall retain the written certification described in  
585 Subsection (3)(a)(ii).

586 (4) Except as provided by Subsection (5), the tax credit under this section is allowed

587 only:

588 (a) against a tax owed under this chapter in the taxable year by the claimant, estate, or  
589 trust;

590 (b) for the taxable year in which a vehicle described in Subsection (2)(a), (b), or (c) is  
591 purchased, a vehicle described in Subsection (2)(f) is leased, or conversion equipment  
592 described in Subsection (2)(d) or (e) is installed; and

593 (c) once per vehicle.

594 (5) A claimant, estate, or trust may not assign a tax credit under this section to another  
595 person.

596 (6) If the amount of a tax credit claimed by a claimant, estate, or trust under this  
597 section exceeds the claimant's, estate's, or trust's tax liability under this chapter for a taxable  
598 year, the amount of the tax credit exceeding the tax liability may be carried forward for a period  
599 that does not exceed the next five taxable years.

600 (7) In accordance with any rules prescribed by the commission under Subsection (8),  
601 the ~~[commission]~~ Division of Finance shall transfer at least annually from the General Fund  
602 into the Education Fund the amount by which the amount of tax credit claimed under this  
603 section for a ~~[taxable]~~ fiscal year exceeds \$500,000.

604 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
605 commission may make rules for making a transfer from the General Fund into the Education  
606 Fund as required by Subsection (7).

607 Section 8. Section **59-10-1033** is amended to read:

608 **59-10-1033. Tax credit related to natural gas heavy duty vehicles.**

609 (1) As used in this section:

610 (a) "Board" means the Air Quality Board created under Title 19, Chapter 2, Air  
611 Conservation Act.

612 (b) "Heavy duty vehicle" means a commercial category 7 or 8 vehicle, according to  
613 vehicle classifications established by the Federal Highway Administration.

614 (c) "Natural gas" includes compressed natural gas and liquified natural gas.

- 615 (d) "Qualified heavy duty vehicle" means a heavy duty vehicle that:
- 616 (i) has never been titled or registered and has been driven less than 7,500 miles;
- 617 (ii) is fueled by natural gas; and
- 618 (iii) meets air quality standards.
- 619 (e) "Qualified purchase" means the purchase of a qualified heavy duty vehicle.
- 620 (f) "Qualified taxpayer" means a claimant, estate, or trust that:
- 621 (i) purchases a qualified heavy duty vehicle; and
- 622 (ii) receives a tax credit certificate from the board.
- 623 (g) "Small fleet" means 40 or fewer heavy duty vehicles registered in the state and
- 624 owned by a single claimant, estate, or trust.
- 625 (h) "Tax credit certificate" means a certificate issued by the board certifying that a
- 626 claimant, estate, or trust is entitled to a tax credit as provided in this section and stating the
- 627 amount of the tax credit.
- 628 (2) For a taxable year beginning on or after January 1, 2015, a qualified taxpayer may
- 629 claim a nonrefundable tax credit against tax otherwise due under this chapter:
- 630 (a) in an amount equal to:
- 631 (i) \$25,000, if the qualified purchase occurs during calendar year 2015, calendar year
- 632 2016, or calendar year 2017;
- 633 (ii) \$20,000, if the qualified purchase occurs during calendar year 2018;
- 634 (iii) \$18,000, if the qualified purchase occurs during calendar year 2019; and
- 635 (iv) \$15,000, if the qualified purchase occurs during calendar year 2020; and
- 636 (b) if the claimant, estate, or trust certifies under oath that over 50% of the miles that
- 637 the heavy duty vehicle that is the subject of the qualified purchase or qualified conversion will
- 638 travel annually will be within the state.
- 639 (3) (a) Except as provided in Subsection (3)(b), a claimant, estate, or trust may not
- 640 submit an application for, and the board may not issue to the claimant, estate, or trust, a tax
- 641 credit certificate under this section in any taxable year for a qualifying purchase if the board has
- 642 already issued to the claimant, estate, or trust 10 tax credits for qualifying purchases in the

643 same taxable year.

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

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

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

656 (5) (a) The aggregate annual total amount of tax credits represented by tax credit  
657 certificates that the board issues under this section, when combined with the aggregate annual  
658 total amount of tax credits represented by tax credit certificates that the board issues under  
659 Section 59-7-618, may not exceed \$500,000.

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

665 (6) (a) (i) A claimant, estate, or trust wishing to claim a tax credit under this section  
666 shall, using forms the board requires by rule:

- 667 (A) submit to the board an application for a tax credit;
  - 668 (B) provide the board proof of a qualifying purchase or qualifying conversion; and
  - 669 (C) submit to the board the certification under oath required under Subsection (2)(b).
- 670 (ii) Upon receiving the application, proof, and certification required under Subsection



671 (6)(a)(i), the board shall provide the claimant, estate, or trust a written statement from the board  
672 acknowledging receipt of the proof.

673 (b) If the board determines that a claimant, estate, or trust qualifies for a tax credit  
674 under this section, the board shall:

675 (i) determine the amount of tax credit the claimant, estate, or trust is allowed under this  
676 section; and

677 (ii) provide the qualifying taxpayer with a written tax credit certificate:

678 (A) stating that the claimant, estate, or trust has qualified for a tax credit; and

679 (B) showing the amount of tax credit for which the claimant, estate, or trust has  
680 qualified under this section.

681 (c) A claimant, estate, or trust shall retain the tax credit certificate.

682 (d) The board shall at least annually submit to the commission a list of all claimants,  
683 estates, and trusts to which the board has issued a tax credit certificate and the amount of each  
684 tax credit represented by the tax credit certificates.

685 (7) The tax credit under this section is allowed only:

686 (a) against a tax owed under this chapter in the taxable year by the qualified taxpayer;

687 (b) for the taxable year in which the qualifying purchase occurs; and

688 (c) once per vehicle.

689 (8) A qualifying taxpayer may not assign a tax credit or a tax credit certificate under  
690 this section to another person.

691 (9) If the amount of a tax credit claimed by a qualifying taxpayer under this section  
692 exceeds the qualifying taxpayer's tax liability under this chapter for a taxable year, the amount  
693 of the tax credit exceeding the tax liability may be carried forward for a period that does not  
694 exceed the next five taxable years.

695 (10) (a) In accordance with any rules prescribed by the commission under Subsection  
696 (10)(b), the [~~commission~~] Division of Finance shall transfer at least annually from the General  
697 Fund into the Education Fund the aggregate amount of all tax credits claimed under this  
698 section.

699 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
700 commission may make rules for making a transfer from the General Fund into the Education  
701 Fund as required by Subsection (10)(a).

702 Section 9. Section **59-10-1105** is amended to read:

703 **59-10-1105. Tax credit for hand tools used in farming operations -- Procedures**  
704 **for refund -- Transfers from General Fund to Education Fund -- Rulemaking authority.**

705 (1) For a taxable [~~years~~] year beginning on or after January 1, 2004, a claimant, estate,  
706 or trust may claim a refundable tax credit:

707 (a) as provided in this section;

708 (b) against taxes otherwise due under this chapter; and

709 (c) in an amount equal to the amount of tax the claimant, estate, or trust pays:

710 (i) on a purchase of a hand tool:

711 (A) if the purchase is made on or after July 1, 2004;

712 (B) if the hand tool is used or consumed primarily and directly in a farming operation  
713 in the state; and

714 (C) if the unit purchase price of the hand tool is more than \$250; and

715 (ii) under Chapter 12, Sales and Use Tax Act, on the purchase described in Subsection  
716 (1)(c)(i).

717 (2) A claimant, estate, or trust:

718 (a) shall retain the following to establish the amount of tax the claimant, estate, or trust  
719 paid under Chapter 12, Sales and Use Tax Act, on the purchase described in Subsection

720 (1)(c)(i):

721 (i) a receipt;

722 (ii) an invoice; or

723 (iii) a document similar to a document described in Subsection (2)(a)(i) or (ii); and

724 (b) may not carry forward or carry back a tax credit under this section.

725 (3) (a) In accordance with any rules prescribed by the commission under Subsection  
726 (3)(b)[-]:

727 (i) the commission shall~~[(i)]~~ make a refund to a claimant, estate, or trust that claims a  
728 tax credit under this section if the amount of the tax credit exceeds the claimant's, estate's, or  
729 trust's tax liability under this chapter; and

730 (ii) the Division of Finance shall transfer at least annually from the General Fund into  
731 the Education Fund an amount equal to the aggregate amount of all tax ~~[credit]~~ credits claimed  
732 under this section.

733 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
734 commission may make rules providing procedures for making:

735 (i) a refund to a claimant, estate, or trust as required by Subsection (3)(a)(i); or

736 (ii) transfers from the General Fund into the Education Fund as required by Subsection  
737 (3)(a)(ii).

738 Section 10. Section **59-13-202** is amended to read:

739 **59-13-202. Refund of tax for agricultural uses on individual income and**  
740 **corporate franchise and income tax returns -- Application for permit for refund --**  
741 **Division of Finance to pay claims -- Rules permitted to enforce part -- Penalties.**

742 (1) As used in this section:

743 (a) (i) Except as provided in Subsection (1)(a)(ii), "claimant" means a resident or  
744 nonresident person.

745 (ii) "Claimant" does not include an estate or trust.

746 (b) "Estate" means a nonresident estate or a resident estate.

747 (c) "Refundable tax credit" or "tax credit" means a tax credit that a claimant, estate, or  
748 trust may claim:

749 (i) as provided by statute; and

750 (ii) regardless of whether, for the taxable year for which the claimant, estate, or trust  
751 claims the tax credit, the claimant, estate, or trust has a tax liability under:

752 (A) Chapter 7, Corporate Franchise and Income Taxes; or

753 (B) Chapter 10, Individual Income Tax Act.

754 (d) "Trust" means a nonresident trust or a resident trust.

755 (2) Any claimant, estate, or trust that purchases and uses any motor fuel within the state  
756 for the purpose of operating or propelling stationary farm engines and self-propelled farm  
757 machinery used for nonhighway agricultural uses, and that has paid the tax on the motor fuel as  
758 provided by this part, is entitled to a refund of the tax subject to the conditions and limitations  
759 provided under this part.

760 (3) (a) A claimant, estate, or trust desiring a nonhighway agricultural use refund under  
761 this part shall claim the refund as a refundable tax credit on the tax return the claimant, estate,  
762 or trust files under:

763 (i) Chapter 7, Corporate Franchise and Income Taxes; or

764 (ii) Chapter 10, Individual Income Tax Act.

765 (b) A claimant, estate, or trust not subject to filing a tax return described in Subsection  
766 (3)(a) shall obtain a permit and file claims on a calendar year basis.

767 (c) Any claimant, estate, or trust claiming a refundable tax credit under this section is  
768 required to furnish any or all of the information outlined in this section upon request of the  
769 commission.

770 (d) A refundable tax credit under this section is allowed only on purchases on which  
771 tax is paid during the taxable year covered by the tax return.

772 (4) In order to obtain a permit for a refund of motor fuel tax paid, an application shall  
773 be filed containing:

774 (a) the name of the claimant, estate, or trust;

775 (b) the claimant's, estate's, or trust's address;

776 (c) location and number of acres owned and operated, location and number of acres  
777 rented and operated, the latter of which shall be verified by a signed statement from the legal  
778 owner;

779 (d) number of acres planted to each crop, type of soil, and whether irrigated or dry; and

780 (e) make, size, and type of fuel used[;] and power rating of each piece of equipment  
781 using fuel. If the claimant, estate, or trust is an operator of self-propelled or tractor-pulled farm  
782 machinery with which the claimant, estate, or trust works for hire doing custom jobs for other

783 farmers, the application shall include information the commission requires and shall all be  
784 contained in, and be considered part of, the original application. The claimant, estate, or trust  
785 shall also file with the application a certificate from the county assessor showing each piece of  
786 equipment using fuel. This original application and all information contained in it constitutes a  
787 permanent file with the commission in the name of the claimant, estate, or trust.

788 (5) ~~[Any]~~ A claimant, estate, or trust claiming the right to a refund of motor fuel tax  
789 paid shall file a claim with the commission by April 15 of each year for the refund for the  
790 previous calendar year. The claim shall state the name and address of the claimant, estate, or  
791 trust, the number of gallons of motor fuel purchased for nonhighway agricultural uses, and the  
792 amount paid for the motor fuel. The claimant, estate, or trust shall retain the original invoice to  
793 support the claim. No more than one claim for a tax refund may be filed annually by each user  
794 of motor fuel purchased for nonhighway agricultural uses.

795 (6) Upon commission approval of the claim for a refund, the Division of Finance shall  
796 pay the amount found due to the claimant, estate, or trust. The total amount of claims for  
797 refunds shall be paid from motor fuel taxes.

798 (7) The commission ~~[may promulgate rules to enforce this part, and]~~ may refuse to  
799 accept as evidence of purchase or payment any instruments ~~[which]~~ that show alteration or  
800 ~~[which]~~ that fail to indicate the quantity of the purchase, the price of the motor fuel, a statement  
801 that ~~[it]~~ the motor fuel is purchased for purposes other than transportation, and the date of  
802 purchase and delivery. If the commission is not satisfied with the evidence submitted in  
803 connection with the claim, ~~[it]~~ the commission may reject the claim or require additional  
804 evidence.

805 (8) ~~[Any]~~ A claimant, estate, or trust aggrieved by the decision of the commission with  
806 respect to a refundable tax credit or refund may file a request for agency action, requesting a  
807 hearing before the commission.

808 (9) ~~[Any]~~ A claimant, estate, or trust that makes any false claim, report, or statement,  
809 as claimant, estate, trust, agent, or creditor, with intent to defraud or secure a refund to which  
810 the claimant, estate, or trust is not entitled, is subject to the criminal penalties provided under

811 Section [59-1-401](#), and the commission shall initiate the filing of a complaint for alleged  
812 violations of this part. In addition to these penalties, the claimant, estate, or trust may not  
813 receive any refund as a claimant, estate, or trust or as a creditor of a claimant, estate, or trust for  
814 refund for a period of five years.

815 ~~[(10) Refunds to which a claimant, estate, or trust is entitled under this part shall be~~  
816 ~~paid from the Transportation Fund.]~~

817 (10) (a) In accordance with any rules prescribed by the commission under Subsection  
818 (10)(b), the Division of Finance shall transfer at least annually from the Transportation Fund  
819 into the Education Fund an amount equal to the amount of the refund claimed under this  
820 section.

821 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
822 commission may make rules providing procedures for:

823 (i) making a refund to a claimant, estate, or trust as required by Subsection (3)(a)(i);

824 (ii) making a transfer from the Transportation Fund into the Education Fund as  
825 required by Subsection (10)(a); or

826 (iii) enforcing this part.

827 Section 11. **Effective date.**

828 This bill takes effect on July 1, 2016.