

**HIGH COST INFRASTRUCTURE TAX CREDIT**

**AMENDMENTS**

2018 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Douglas V. Sagers**

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

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**LONG TITLE**

**General Description:**

This bill modifies provisions relating to the High Cost Infrastructure Tax Credit Act.

**Highlighted Provisions:**

This bill:

- ▶ provides that a high cost infrastructure project includes a hydrogen fuel production or distribution project; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides retrospective operation.

**Utah Code Sections Affected:**

AMENDS:

**63M-4-602**, as last amended by Laws of Utah 2016, Chapter 348

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

Section 1. Section **63M-4-602** is amended to read:

**63M-4-602. Definitions.**

As used in this part:



28 (1) "Applicant" means a person that conducts business in the state and that applies for a  
29 tax credit under this part.

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

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

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

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

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

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

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

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

44 (4) "Infrastructure" means:

45 (a) an energy delivery project as defined in Section [63H-2-102](#);

46 (b) a railroad as defined in Section [54-2-1](#);

47 (c) a fuel standard compliance project;

48 (d) a road improvement project;

49 (e) a water self-supply project;

50 (f) a water removal system project; [~~or~~]

51 (g) a project that is designed to:

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

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

55 (h) a hydrogen fuel production or distribution project.

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

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

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

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

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

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

67 (7) "Office" means the Office of Energy Development created in Section 63M-4-401.

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

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

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

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

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

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

76 Section 2. **Retrospective operation.**

77 This bill has retrospective operation for a taxable year beginning on or after January 1,  
78 2018.