

28 (1) As used in this section:

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

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

33 (c) "OEM vehicle" means the same as that term is defined in Section 19-1-402.

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

36 (e) "Qualifying electric motorcycle" means a vehicle that:

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

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

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

40 (iv) is not fueled by natural gas;

41 (v) is fueled by electricity only; and

42 (vi) is an OEM vehicle except that the vehicle is fueled by a fuel described in
43 Subsection (1)(e)(v).

44 (f) "Qualifying electric vehicle" means a vehicle that:

45 (i) meets air quality standards;

46 (ii) is not fueled by natural gas;

47 (iii) draws propulsion energy from a battery with at least 10 kilowatt hours of capacity;

48 and

49 (iv) is an OEM vehicle except that the vehicle is fueled by a fuel described in
50 Subsection (1)(f)(iii).

51 (g) "Qualifying hydrogen vehicle" means a vehicle that:

52 (i) meets air quality standards;

53 (ii) uses pure hydrogen to supply energy to an electrochemical cell that produces
54 electricity through a noncombustion reaction and then uses the electricity to power an electric
55 motor; and

56 (iii) is an OEM vehicle except that the vehicle is fueled as described in Subsection
57 (1)(g)(ii).

58 [~~g~~] (h) "Qualifying plug-in hybrid vehicle" means a vehicle that:

- 59 (i) meets air quality standards;
- 60 (ii) is not fueled by natural gas or propane;
- 61 (iii) has a battery capacity that meets or exceeds the battery capacity described in
- 62 Section 30D(b)(3), Internal Revenue Code; and
- 63 (iv) is fueled by a combination of electricity and:
 - 64 (A) diesel fuel;
 - 65 (B) gasoline; or
 - 66 (C) a mixture of gasoline and ethanol.
- 67 (2) For a taxable year beginning on or after January 1, 2015, but beginning on or before
- 68 December 31, 2016, a taxpayer may claim a tax credit against tax otherwise due under this
- 69 chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay
- 70 Corporate Franchise or Income Tax Act, in an amount equal to:
 - 71 (a) (i) for the original purchase of a new qualifying electric vehicle that is registered in
 - 72 this state, the lesser of:
 - 73 (A) \$1,500; or
 - 74 (B) 35% of the purchase price of the vehicle; or
 - 75 (ii) for the original purchase of a new qualifying plug-in hybrid vehicle that is
 - 76 registered in this state, \$1,000;
 - 77 (b) for the original purchase of a new vehicle fueled by natural gas or propane that is
 - 78 registered in this state, the lesser of:
 - 79 (i) \$1,500; or
 - 80 (ii) 35% of the purchase price of the vehicle;
 - 81 (c) for the original purchase of a new qualifying electric motorcycle that is registered in
 - 82 this state, the lesser of:
 - 83 (i) \$750; or
 - 84 (ii) 35% of the purchase price of the vehicle; and
 - 85 (d) for a lease of a vehicle described in Subsection (2)(a), (b), or (c), an amount equal
 - 86 to the product of:
 - 87 (i) the amount of tax credit the taxpayer would otherwise qualify to claim under
 - 88 Subsection (2)(a), (b), or (c) had the taxpayer purchased the vehicle, except that the purchase
 - 89 price described in Subsection (2)(a)(i)(B), (2)(b)(ii), or (2)(c)(ii) is considered to be the value

90 of the vehicle at the beginning of the lease; and

91 (ii) a percentage calculated by:

92 (A) determining the difference between the value of the vehicle at the beginning of the
93 lease, as stated in the lease agreement, and the value of the vehicle at the end of the lease, as
94 stated in the lease agreement; and

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

97 (3) For a taxable year beginning on or after January 1, 2019, but beginning on or before
98 December 31, 2022, a taxpayer may claim a nonrefundable tax credit against tax otherwise due
99 under this chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to
100 Pay Corporate Franchise or Income Tax Act, in an amount equal to \$3,000 for the original
101 purchase of a new qualifying hydrogen vehicle that is registered in this state.

102 [~~3~~] (4) (a) The board shall:

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

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

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

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

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

110 and

111 (iii) retaining the written statement described in Subsection [~~3~~] (4)(b)(ii).

112 (c) A taxpayer shall retain the written certification described in Subsection [~~3~~]
113 (4)(a)(ii).

114 [~~4~~] (5) Except as provided by Subsection [~~5~~] (6), the tax credit under this section is
115 allowed only:

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

119 (b) for the taxable year in which a vehicle described in Subsection (2)(a), (2)(b), [or]
120 (2)(c), or (3) is purchased or a vehicle described in Subsection (2)(d) is leased; and

121 (c) once per vehicle.

122 [~~(5)~~] (6) A taxpayer may not assign a tax credit under this section to another person.

123 [~~(6)~~] (7) If the amount of a tax credit claimed by a taxpayer under [~~this section~~]

124 Subsection (2)(a), (b), (c), or (d) exceeds the taxpayer's tax liability under this chapter or

125 Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay Corporate

126 Franchise or Income Tax Act, for a taxable year, the amount of the tax credit exceeding the tax

127 liability may be carried forward for a period that does not exceed the next five taxable years.

128 [~~(7)~~] (8) In accordance with any rules prescribed by the commission under Subsection

129 [~~(8)~~] (9), the Division of Finance shall transfer at least annually from the General Fund into the

130 Education Fund the amount by which the amount of tax credit claimed under this section for a

131 fiscal year exceeds \$500,000.

132 [~~(8)~~] (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking

133 Act, the commission may make rules for making a transfer from the General Fund into the

134 Education Fund as required by Subsection [~~(7)~~] (8).

135 Section 2. Section **59-10-1009** is amended to read:

136 **59-10-1009. Definitions -- Tax credits related to energy efficient vehicles.**

137 (1) As used in this section:

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

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

142 (c) "OEM vehicle" means the same as that term is defined in Section 19-1-402.

143 (d) "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 (e) "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)(e)(v).

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

154 (i) meets air quality standards;

155 (ii) is not fueled by natural gas;

156 (iii) draws propulsion energy from a battery with at least 10 kilowatt hours of capacity;

157 and

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

159 Subsection (1)(f)(iii).

160 (g) "Qualifying hydrogen vehicle" means a vehicle that:

161 (i) meets air quality standards;

162 (ii) uses pure hydrogen to supply energy to an electrochemical cell that produces
163 electricity through a noncombustion reaction and then uses the electricity to power an electric

164 motor; and

165 (iii) is an OEM vehicle except that the vehicle is fueled as described in Subsection

166 (1)(g)(ii).

167 [~~(g)~~] (h) "Qualifying plug-in hybrid vehicle" means a vehicle that:

168 (i) meets air quality standards;

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

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

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

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

173 (A) diesel fuel;

174 (B) gasoline; or

175 (C) a mixture of gasoline and ethanol.

176 (2) For a taxable year beginning on or after January 1, 2015, but beginning on or before

177 December 31, 2016, a claimant, estate, or trust may claim a nonrefundable tax credit against

178 tax otherwise due under this chapter in an amount equal to:

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

181 (A) \$1,500; or

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

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

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

187 (i) \$1,500; or
188 (ii) 35% of the purchase price of the vehicle;

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

191 (i) \$750; or
192 (ii) 35% of the purchase price of the vehicle; and

193 (d) for a lease of a vehicle described in Subsection (2)(a), (b), or (c), an amount equal
194 to the product of:

195 (i) the amount of tax credit the claimant, estate, or trust would otherwise qualify to
196 claim under Subsection (2)(a), (b), or (c) had the claimant, estate, or trust purchased the
197 vehicle, except that the purchase price described in Subsection (2)(a)(i)(B), (2)(b)(ii), or
198 (2)(c)(ii) is considered to be the value of the vehicle at the beginning of the lease; and
199 (ii) a percentage calculated by:

200 (A) determining the difference between the value of the vehicle at the beginning of the
201 lease, as stated in the lease agreement, and the value of the vehicle at the end of the lease, as
202 stated in the lease agreement; and

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

205 (3) For a taxable year beginning on or after January 1, 2019, but beginning on or before
206 December 31, 2022, a claimant, estate, or trust may claim a nonrefundable tax credit against
207 tax otherwise due under this chapter in an amount equal to \$3,000 for the original purchase of a
208 new qualifying hydrogen vehicle that is registered in this state.

209 ~~(3)~~ (4) (a) The board shall:

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

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

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

- 216 (i) providing proof to the board in the form the board requires by rule;
- 217 (ii) receiving a written statement from the board acknowledging receipt of the proof;

218 and

- 219 (iii) retaining the written statement described in Subsection [~~(3)~~] (4)(b)(ii).

220 (c) A claimant, estate, or trust shall retain the written certification described in
221 Subsection [~~(3)~~] (4)(a)(ii).

222 [~~(4)~~] (5) Except as provided by Subsection [~~(5)~~] (6), the tax credit under this section is
223 allowed only:

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

226 (b) for the taxable year in which a vehicle described in Subsection (2)(a), (2)(b), [~~or~~]
227 (2)(c), or (3) is purchased or a vehicle described in Subsection (2)(d) is leased; and

228 (c) once per vehicle.

229 [~~(5)~~] (6) A claimant, estate, or trust may not assign a tax credit under this section to
230 another person.

231 [~~(6)~~] (7) If the amount of a tax credit claimed by a claimant, estate, or trust under [~~this~~
232 ~~section~~] Subsection (2)(a), (b), (c), or (d) exceeds the claimant's, estate's, or trust's tax liability
233 under this chapter for a taxable year, the amount of the tax credit exceeding the tax liability
234 may be carried forward for a period that does not exceed the next five taxable years.

235 [~~(7)~~] (8) In accordance with any rules prescribed by the commission under Subsection
236 [~~(8)~~] (9), the Division of Finance shall transfer at least annually from the General Fund into the
237 Education Fund the amount by which the amount of tax credit claimed under this section for a
238 fiscal year exceeds \$500,000.

239 [~~(8)~~] (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
240 Act, the commission may make rules for making a transfer from the General Fund into the
241 Education Fund as required by Subsection [~~(7)~~] (8).