

NOTICE OF
PROPOSED NEW RULE

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

Agency Information

1. Agency: Environmental Quality - Air Quality
 Room no.: Fourth Floor
 Building:
 Street address 1: 195 N 1950 W
 Street address 2:
 City, state, zip: SALT LAKE CITY UT 84116-3085
 Mailing address 1: PO BOX 144820
 Mailing address 2:
 City, state, zip: SALT LAKE CITY UT 84114-4820

Contact person(s):

Name:	Phone:	Fax:	E-mail:
Mark Berger	801-536-4000	801-536-0085	mberger@utah.gov

(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 39354 Date filed: 05/07/2015 09:14 AM
 State Admin Rule Filing Key: 156230
 Utah Admin. Code ref. (R no.): R 307 - 122 -

Title

2. Title of rule or section (catchline):
 General Requirements: Heavy Duty Vehicle Tax Credit

Notice Type

3. Type of notice: New Rule

Rule Purpose

4. Purpose of the rule or reason for the change:
 House Bill 406 (HB406), which provides an income tax credit for the purchase of a natural gas heavy duty vehicle, was passed during the 2015 General Legislative Session. HB 406 gives authority to the Air Quality Board to make rules specifying the requirements and procedures for the tax credit. This proposed new rule, R307-122, is the air quality rule that would do this.

Response Information

5. This change is a response to comments by the Administrative Rules Review Committee.

No

Rule Summary

6. Summary of the rule or change:

This new rule, R307-122, outlines the process for reserving and qualifying for the heavy duty vehicle tax credit.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

The legislature considered cost when it passed HB406 and put a limit on the amount of tax credit that can be awarded at \$500,000 a year. This rule does not add any additional costs to what was already included in the bill's fiscal note.

B) Local government:

Affected: No

No costs or savings are anticipated for local government because local governments do not pay taxes.

C) Small businesses:

Affected: Yes

("small business" means a business employing fewer than 50 persons)

Because this new rule provides for a new tax credit for the purchase of a natural gas heavy duty vehicle, small businesses who choose to apply for the credit will see some savings. The amount of savings is unknown as it is not a requirement to apply for the credit and it is unknown how many small businesses will do so. However, the amount of tax credit that can be awarded is limited to \$500,000 a year.

D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

Because this new rule provides for a new tax credit for the purchase of a natural gas heavy duty vehicle, persons other than small businesses, businesses, or local governments who choose to apply for the credit will see some savings. The amount of savings is unknown as it is not a requirement to apply for the credit and it is unknown how many tax credit applicants there will be. However, the amount of tax credit that can be awarded is limited to \$500,000 a year.

Compliance Cost Information

8. Compliance costs for affected persons:

This is an optional tax credit, and there is no requirement for anyone to apply; therefore, there are no compliance costs for affected persons.

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

Businesses who choose to apply for the new tax credit will see some savings; however, because we do not know how many businesses will apply for the credit, the fiscal impact is unknown. The limit of tax credit that can be awarded in a year is \$500,000.

B) Name and title of department head commenting on the fiscal impacts:

Amanda Smith, Executive Director

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :

19-2-104

59-7-618

59-10-1033(2)(b)

19-1-402

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

Official Title of Materials Incorporated (from title page):

Publisher:

Date Issued:

Issue, or version:

ISBN Number:

ISSN Number:

Cost of Incorporated Reference:

Adds, updates, removes:

Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) :

07/01/2015

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy): 08/06/2015

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After a minimum of seven days following the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):

- air pollution
- alternative fuels
- tax credits
- heavy duty vehicles

File Information

15. Attach an RTF document containing the text of this rule change (filename):

There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and title: Bryce Bird Director Date (mm/dd/yyyy): 05/07/2015