



State of Utah

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Lieutenant Governor

Department of
Environmental Quality

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Executive Director

DIVISION OF AIR QUALITY
Bryce C. Bird
Director

DAQ-038-15

MEMORANDUM

TO: Air Quality Board

THROUGH: Bryce C. Bird, Executive Secretary

FROM: Mat Carlile, Environmental Planning Consultant

DATE: July 29, 2015

SUBJECT: FINAL ADOPTION: Amend R307-121. General Requirements: Clean Air and Efficient Vehicle Tax Credit.

On May 6, 2015, the Air Quality Board proposed for public comment amendments to R307-121. This proposal was necessitated because the statutes that govern the clean fuel vehicle tax credit were revised to include electric motorcycles. This amendment added a definition of "Qualifying electric motorcycle" and added requirements to demonstrate proof of purchase and lease for qualifying electric motorcycles. Other technical changes were also made throughout the rule to clarify requirements and to help administer the clean fuel vehicle tax credit.

A public comment period was held from June 1 to June 30, 2015. No comments were received and a hearing was not requested.

Staff Recommendation: Staff recommends the Board adopt the amendments to R307-121 as proposed.

1 **R307. Environmental Quality, Air Quality.**

2 **R307-121. General Requirements: Clean Air and Efficient Vehicle**
3 **Tax Credit.**

4 **R307-121-1. Authorization and Purpose.**

5 (1) This rule is authorized by Sections 59-7-605 and 59-10-1009.
6 These statutes establish criteria and definitions used to determine
7 eligibility for an income tax credit.

8 (2) R307-121 establishes procedures to provide proof of
9 purchase or lease, in accordance with 59-7-605(3)(b) or
10 59-10-1009(3)(b), to the director for an OEM vehicle, qualifying
11 electric motorcycle, or the conversion of a motor vehicle or special
12 mobile equipment for which an income tax credit is allowed under
13 Sections 59-7-605 or 59-10-1009.

14
15 **R307-121-2. Definitions.**

16 The following additional definitions apply to R307-121.

17 "Air quality standards" means air quality standards as defined
18 in Subsection 59-7-605(1)(a) and 59-10-1009(1)(a).

19 "Clean fuel" means clean fuel as defined in Subsection
20 19-1-402(1).

21 "Clean fuel vehicle" means clean fuel vehicle as defined in
22 Subsection 19-1-402(2).

23 "Conversion equipment" means a package that may include fuel,
24 ignition, emissions control, and engine components that are modified,
25 removed, or added to a motor vehicle or special mobile equipment to
26 make that motor vehicle or equipment eligible for the tax credit.

27 "Motor Vehicle" means a motor vehicle as defined in 41-1a-102.

28 "Original equipment manufacturer(OEM) vehicle" means original
29 equipment manufacturer(OEM) as defined in Subsection 19-1-402(8).

30 "Original purchase" means original purchase as defined in
31 Subsection 59-7-605(1)(g) and 59-10-1009(1)(g).

32 "Qualifying electric motorcycle" means qualifying electric
33 motorcycle as defined in 59-7-605(1)(h) or 59-10-1009(1)(h).

34 "Qualifying electric vehicle" means qualifying electric vehicle
35 as defined in 59-7-605(1)(i) or 59-10-1009(1)(i).

36 "Qualifying plug-in hybrid vehicle" means qualifying plug-in
37 hybrid vehicle as defined in 59-7-605(1)(j) or 59-10-1009(1)(j).

38 "Window Sticker" means the label required by United States Code
39 Title 15 Sections 1231 and 1232, as effective January 3, 2012.

40
41 **R307-121-3. Proof of Purchase to Demonstrate Eligibility for New**
42 **OEM Natural Gas, Propane, Qualifying Electric or Qualifying Plug-in**
43 **Hybrid Vehicles.**

44 To demonstrate that an OEM natural gas, propane, qualifying
45 electric, or qualifying plug-in hybrid motor vehicle is eligible for
46 the tax credit, proof of purchase shall be made in accordance with
47 59-7-605(3)(b) or 59-10-1009(3)(b), by submitting the following
48 documents to the director:

49 (1)(a) a copy of the motor vehicle's window sticker, which
50 includes its Vehicle Identification Number (VIN), or equivalent
51 manufacturer's documentation showing that the motor vehicle is an

1 OEM natural gas, propane, qualifying electric or qualifying plug-in
2 hybrid vehicle, or

3 (b) a signed statement by either an Automotive Service
4 Excellence (ASE)-certified technician or Canadian Standards
5 Association (CSA) America CNG Fuel System Inspector that includes
6 the VIN, the technician's ASE or CSA America certification number,
7 and states that the motor vehicle is an OEM natural gas, propane,
8 qualifying electric or qualifying plug-in hybrid vehicle;

9 (2) an original or copy of the purchase order, customer invoice,
10 or receipt that includes the name of the taxpayer seeking the credit,
11 the name of the seller of the motor vehicle, the VIN, purchase date,
12 and price of the motor vehicle;

13 (3) a copy of the current Utah vehicle registration in the name
14 of the taxpayer seeking the credit;

15 (4) an original or copy of the odometer disclosure statement
16 required in Utah Code Annotated Title 41 Chapter 1a Section 902 for
17 the motor vehicle that was acquired as an original purchase; and

18 (5) the underhood identification number or engine group of the
19 motor vehicle.

20
21 **R307-121-4. Proof of Purchase to Demonstrate Eligibility for New**
22 **Qualifying Electric Motorcycle.**

23 To demonstrate that a qualifying electric motorcycle is eligible
24 for the tax credit, proof of purchase shall be made in accordance
25 with 59-7-605(3)(b) or 59-10-1009(3)(b), by submitting the following
26 documents to the director:

27 (1)(a) a copy of the Manufacturer's Statement of Origin (MSO)
28 or equivalent manufacturer's documentation showing that the motor
29 vehicle is a qualifying electric motorcycle, or

30 (b) a signed statement by an Automotive Service Excellence
31 (ASE)-certified technician that includes the VIN, the technician's
32 ASE certification number, and states that the motorcycle is a
33 qualifying electric motorcycle;

34 (2) an original or copy of the purchase order, customer invoice,
35 or receipt that includes the name of the taxpayer seeking the credit,
36 the name of the seller of the motor vehicle, the VIN, purchase date,
37 and price of the motor vehicle;

38 (3) a copy of the current Utah vehicle registration in the name
39 of the taxpayer seeking the credit; and

40 (4) an original or copy of the odometer disclosure statement
41 required in Utah Code Annotated Title 41 Chapter 1a Section 902 for
42 the motor vehicle that was acquired as an original purchase.

43
44 **R307-121-5. Proof of Lease to Demonstrate Eligibility for New OEM**
45 **Natural Gas, Propane, Qualifying Electric or Qualifying Plug-in Hybrid**
46 **Vehicles.**

47 To demonstrate that an OEM natural gas, propane, qualifying
48 electric or qualifying plug-in hybrid vehicle is eligible for the
49 tax credit, proof of lease shall be made in accordance with
50 59-7-605(3)(b) or 59-10-1009(3)(b), by submitting the following
51 documents to the director:

1 (1)(a) a copy of the motor vehicle's window sticker, which
2 includes its Vehicle Identification Number (VIN), or equivalent
3 manufacturer's documentation showing that the motor vehicle is an
4 OEM natural gas, propane, qualifying electric or qualifying plug-in
5 hybrid vehicle; or

6 (b) a signed statement by either an Automotive Service
7 Excellence (ASE)-certified technician or Canadian Standards
8 Association (CSA) America CNG Fuel System Inspector that includes
9 the VIN, the technician's ASE or CSA America certification number,
10 and states that the motor vehicle is an OEM natural gas, propane,
11 qualifying electric or qualifying plug-in hybrid vehicle;

12 (2) an original or copy of the lease agreement that includes
13 the name of the taxpayer seeking the credit, the name of the lessor
14 of the vehicle, the VIN, the beginning date of the lease, the value
15 of the vehicle at the beginning of the lease, and the value of the
16 vehicle at the end of the lease;

17 (3) a copy of the current Utah vehicle registration in the name
18 of the taxpayer seeking the credit;

19 (4) an original or copy of the odometer disclosure statement
20 required in Utah Code Annotated Title 41 Chapter 1a Section 902 for
21 the motor vehicle that was acquired as an original purchase; and

22 (5) the underhood identification number or engine group of the
23 motor vehicle.

24
25 **R307-121-6. Proof of Lease to Demonstrate Eligibility for Qualifying**
26 **Electric Motorcycle.**

27 To demonstrate that a qualifying electric motorcycle is eligible
28 for the tax credit, proof of lease shall be made in accordance with
29 59-7-605(3)(b) or 59-10-1009(3)(b), by submitting the following
30 documents to the director:

31 (1)(a) a copy of the Manufacturer's Statement of Origin (MSO)
32 or equivalent manufacturer's documentation showing that the motor
33 vehicle is a qualifying electric motorcycle, or

34 (b) a signed statement by an Automotive Service Excellence
35 (ASE)-certified technician that includes the VIN, the technician's
36 ASE certification number, and states that the motorcycle is a
37 qualifying electric motorcycle;

38 (2) an original or copy of the lease agreement that includes
39 the name of the taxpayer seeking the credit, the name of the lessor
40 of the vehicle, the VIN, the beginning date of the lease, the value
41 of the vehicle at the beginning of the lease, and the value of the
42 vehicle at the end of the lease;

43 (3) a copy of the current Utah vehicle registration in the name
44 of the taxpayer seeking the credit; and

45 (4) an original or copy of the odometer disclosure statement
46 required in Utah Code Annotated Title 41 Chapter 1a Section 902 for
47 the motor vehicle that was acquired as an original purchase.

48
49 **R307-121-7. Proof of Purchase to Demonstrate Eligibility for Motor**
50 **Vehicles Converted to a Clean Fuel.**

51 To demonstrate that a conversion of a motor vehicle to be fueled

1 by a clean fuel is eligible for the tax credit, proof of purchase
2 shall be made, in accordance with 59-7-605(3)(b) or 59-10-1009(3)(b),
3 by submitting the following documentation to the director:

4 (1) an original or copy of the purchase order, customer invoice,
5 or receipt that includes the name of the taxpayer seeking the credit;
6 the name, address, and phone number of the person that converted the
7 motor vehicle to run on a clean fuel; the VIN; the date of conversion;
8 and the price of the conversion equipment installed on the motor
9 vehicle;

10 (2) a copy of the current Utah vehicle registration in the name
11 of the taxpayer seeking the credit; and

12 (3) a signed statement by the person who converted the motor
13 vehicle certifying that the conversion does not tamper with,
14 circumvent, or otherwise affect the vehicle's on-board diagnostic
15 system, in accordance with 19-1-406(2).
16

17 **R307-121-8. Proof of Purchase to Demonstrate Eligibility for Special**
18 **Mobile Equipment Converted to Clean Fuels.**

19 To demonstrate that a conversion of special mobile equipment
20 to be fueled by clean fuel is eligible for the tax credit, proof of
21 purchase shall be made, in accordance with 59-7-605(3)(b) or
22 59-10-1009(3)(b), by submitting the following documentation to the
23 director:

24 (1) a description, including serial number, of the special
25 mobile equipment for which credit is to be claimed; and

26 (2) an original or copy of the purchase order, customer invoice,
27 or receipt that includes the name of the taxpayer seeking the credit,
28 the serial number, the date of conversion, and the price of the
29 conversion equipment installed on the special mobile equipment.
30

31 **KEY: air pollution, alternative fuels, tax credits, motor vehicles**

32 **Date of Enactment or Last Substantive Amendment: 2015**

33 **Notice of Continuation: January 23, 2012**

34 **Authorizing, and Implemented or Interpreted Law: 19-2-104; 19-1-402;**
35 **59-7-605; 59-10-1009**