



State of Utah

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Governor

SPENCER J. COX
Lieutenant Governor

Department of
Environmental Quality

Alan Matheson
Executive Director

DIVISION OF AIR QUALITY
Bryce C. Bird
Director

DAQ-039-15

MEMORANDUM

TO: Air Quality Board

THROUGH: Bryce C. Bird, Executive Secretary

FROM: Mat Carlile, Environmental Planning Consultant

DATE: July 29, 2015

SUBJECT: FINAL ADOPTION: New Rule R307-122. General Requirements: Heavy Duty Vehicle Tax Credit.

On May 6, 2015, the Air Quality Board proposed for public comment new rule R307-122. This rule specifies the requirements and procedures for the heavy duty vehicle tax credit that was passed by the Utah Legislature during the 2015 general legislative session.

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 R307-122 as proposed.

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

2 **R307-122. General Requirements: Heavy Duty Vehicle Tax Credit.**

3 **R307-122-1. Authorization and Purpose.**

4 (1) This rule is authorized by Sections 59-7-618 and 59-10-1033.
5 These statutes establish criteria and definitions used to determine
6 eligibility for an income tax credit.

7 (2) R307-122 establishes procedures to provide proof of a
8 qualified purchase, in accordance with 59-7-618(6)(a) or
9 59-10-1033(6)(a), to the director for a qualified heavy duty vehicle
10 for which an income tax credit is allowed under Sections 59-7-618
11 or 59-10-1033.

12
13 **R307-122-2. Definitions.**

14 The following additional definitions apply to R307-122.

15 "Heavy duty vehicle" means heavy duty vehicle as defined in
16 Subsection 59-7-618(1)(b) and 59-10-1033(1)(b).

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

19 "Qualified heavy duty vehicle" means qualified heavy duty vehicle
20 as defined in 59-7-618(1)(d) and 59-10-1033(1)(d).

21 "Qualified purchase" means qualified purchase as defined in
22 59-7-618(1)(e) and 59-10-1033(1)(e).

23 "Qualified taxpayer" means qualified taxpayer as defined in
24 59-7-618(1)(f) and 59-10-1033(1)(f).

25
26 **R307-122-3 Reservation of a Qualified Heavy Duty Vehicle Tax Credit.**

27 (1) A qualified taxpayer shall reserve a qualified heavy duty
28 vehicle tax credit before submitting proof of qualified purchase to
29 obtain approval from the division for the heavy duty vehicle tax
30 credit. A qualified taxpayer shall apply to reserve the tax credit
31 on forms provided by the division, which will include the following:

32 (a) the name of the qualified taxpayer and the qualified taxpayers
33 registered name with the United States Department of Transportation
34 (USDOT),

35 (b) the last four digits of the qualified taxpayer's social
36 security number(SSN) or employer identification number (EIN),

37 (c) the qualified taxpayer's address, and

38 (d) the qualified taxpayer's USDOT number.

39 (2) The tax credit shall be reserved for the qualified taxpayer
40 for up to 180 calendar days from the division's approval of the request
41 to reserve the credit.

42 (3) If the qualified taxpayer does not meet all of the
43 requirements of R307-122-4 before 181 calendar days after the
44 division's approval of the request to reserve the tax credit, the
45 tax credit will no longer be reserved for the qualified taxpayer.

46
47 **R307-122-4. Proof of Qualified Purchase for a Qualified Heavy Duty
48 Vehicle.**

49 To demonstrate that a heavy duty vehicle is eligible for the
50 tax credit, proof of qualified purchase shall be made in accordance
51 with 59-7-605(6)(a) or 59-10-1009(6)(a), by submitting the following
52 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 heavy duty vehicle is
4 an OEM natural gas vehicle; or

5 (b) a signed statement by either an Automotive Service
6 Excellence (ASE)-certified technician or Canadian Standards
7 Association (CSA) America CNG Fuel System Inspector that includes
8 the VIN, the technician's ASE or CSA America certification number,
9 and states that the heavy duty vehicle is an OEM natural gas vehicle;

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

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

16 (4) the certification required under Subsection 59-7-618(2)(b)
17 and 59-10-1033(2)(b).

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20 **KEY: air pollution, alternative fuels, tax credits, heavy duty**
21 **vehicles**

22 **Date of Enactment or Last Substantive Amendment:**

23 **Notice of Continuation:**

24 **Authorizing, and Implemented or Interpreted Law: 19-2-104; 19-1-402;**
25 **59-7-618; 59-10-1033**