



State of Utah

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Governor

SPENCER J. COX
Lieutenant Governor

Department of
Environmental Quality

Amanda Smith
Executive Director

DIVISION OF AIR QUALITY
Bryce C. Bird
Director

DAQ-093-14

MEMORANDUM

TO: Air Quality Board

THROUGH: Bryce C. Bird, Executive Secretary

FROM: Mat Carlile, Environmental Planning Consultant

DATE: November 21, 2014

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

On September 3, 2014, the Air Quality Board proposed for public comment amendments to R307-121. This proposed amendment was necessitated by revisions made to the statutes that govern the Clean Fuel Tax Credit during the 2014 legislative session.

A public comment period was held from October 1 to October 31, 2014. No hearing was requested, and no comments were received.

Staff Recommends: 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 or the conversion
11 of a motor vehicle or special mobile equipment for which an income
12 tax credit is allowed under Sections 59-7-605 or 59-10-1009.

13
14 **R307-121-2. Definitions.**

15 The following additional definitions apply to R307-121.

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

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

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

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

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

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

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

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

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

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

37
38 **R307-121-3. Proof of Purchase to Demonstrate Eligibility for New**
39 **OEM Natural Gas, Propane, Qualifying Electric or Qualifying Plug-in**
40 **Hybrid Vehicles.**

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

46 (1)(a) a copy of the motor vehicle's window sticker, which
47 includes its Vehicle Identification Number (VIN), or equivalent
48 manufacturer's documentation showing that the motor vehicle is an
49 OEM natural gas, propane, qualifying electric or qualifying plug-in
50 hybrid vehicle, or

51 (b) a signed statement by either an Automotive Service
52 Excellence (ASE)-certified technician or Canadian Standards

53 Association (CSA) America CNG Fuel System Inspector that includes
54 the VIN, the technician's ASE or CSA America certification number,
55 and states that the motor vehicle is an OEM natural gas, propane,
56 qualifying electric or qualifying plug-in hybrid vehicle;

57 (2) an original or copy of the purchase order, customer invoice,
58 or receipt that includes the name of the taxpayer seeking the credit,
59 the name of the seller of the motor vehicle, the VIN, purchase date,
60 and price of the motor vehicle;

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

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

66 (5) the underhood identification number or engine group of the
67 motor vehicle.

68

69 **R307-121-4. Proof of Lease to Demonstrate Eligibility for New OEM**
70 **Natural Gas, Propane, Qualifying Electric or Qualifying Plug-in Hybrid**
71 **Vehicles.**

72 To demonstrate that an OEM natural gas, propane, qualifying
73 electric or qualifying plug-in hybrid vehicle is eligible for the
74 tax credit, proof of lease shall be made in accordance with
75 59-7-605(3)(b) or 59-10-1009(3)(b), by submitting the following
76 documents to the director:

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

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

88 (2) an original or copy of the lease agreement that includes
89 the name of the taxpayer seeking the credit, the name of the lessor
90 of the vehicle, the VIN, the beginning date of the lease, the value
91 of the vehicle at the beginning of the lease, and the value of the
92 vehicle at the end of the lease;

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

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

98 (5) the underhood identification number or engine group of the
99 motor vehicle.

100

101 **R307-121-5. Proof of Purchase to Demonstrate Eligibility for Motor**
102 **Vehicles Converted to a Clean Fuel.**

103 To demonstrate that a conversion of a motor vehicle to be fueled
104 by a clean fuel is eligible for the tax credit, proof of purchase

105 shall be made, in accordance with 59-7-605(3)(b) or 59-10-1009(3)
106 (b), by submitting the following documentation to the director:

107 (1) an original or copy of the purchase order, customer invoice,
108 or receipt that includes the name of the taxpayer seeking the credit;
109 the name, address, and phone number of the person that converted the
110 motor vehicle to run on a clean fuel; the VIN; the date of conversion;
111 and the price of the conversion equipment installed on the motor
112 vehicle; and

113 (2) a copy of the current Utah vehicle registration in the name
114 of the taxpayer seeking the credit.

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116 **R307-121-6. Proof of Purchase to Demonstrate Eligibility for Special**
117 **Mobile Equipment Converted to Clean Fuels.**

118 To demonstrate that a conversion of special mobile equipment
119 to be fueled by clean fuel is eligible for the tax credit, proof of
120 purchase shall be made, in accordance with 59-7-605(3)(b) or
121 59-10-1009(3)(b), by submitting the following documentation to the
122 director:

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

125 (2) an original or copy of the purchase order, customer invoice,
126 or receipt that includes the name of the taxpayer seeking the credit,
127 the serial number, the date of conversion, and the price of the
128 conversion equipment installed on the special mobile equipment.

129

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

131 **Date of Enactment or Last Substantive Amendment: January 1, 2015**

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

133 **Authorizing, and Implemented or Interpreted Law: 19-2-104; 19-1-402;**
134 **59-7-605; 59-10-1009**