

State of Utah
Administrative Rule Analysis
 Revised June 2021

NOTICE OF PROPOSED RULE		
TYPE OF RULE: New ___; Amendment ___; Repeal <u> x </u> ; Repeal and Reenact ___		
		Title No. - Rule No. - Section No.
Utah Admin. Code Ref (R no.):	R307-121	Filing ID (Office Use Only)
Changed to Admin. Code Ref. (R no.):	R	

Agency Information

1. Department:	Utah Department of Environmental Quality	
Agency:	Utah Division of Air Quality	
Room no.:		
Building:	Multi-Agency State Office Building	
Street address:	195 North 1950 West	
City, state and zip:	Salt Lake City, Utah, 84116	
Mailing address:	P.O. Box 144820	
City, state and zip:	Salt Lake City, UT 84114-4820	
Contact person(s):		
Name:	Phone:	Email:
Mat Carlile	385-306-3565	mcarlile@utah.gov
Please address questions regarding information on this notice to the agency.		

General Information

2. Rule or section catchline:
R307-121 General Requirements: Clean Air and Efficient Vehicle Tax Credit
3. Purpose of the new rule or reason for the change (Why is the agency submitting this filing?):
During the five-year review analysis, the Division of Air Quality (DAQ) staff determined that this rule is no longer needed because the Utah State Legislature did not renew the sections of the Utah Code that govern and allow the Utah Clean Fuel Tax Credit. The Legislature allowed the code to lapse as of December 31, 2016.
4. Summary of the new rule or change (What does this filing do? If this is a repeal and reenact, explain the substantive differences between the repealed rule and the reenacted rule):
This rule is repealed in its entirety.

Fiscal Information

5. Provide an estimate and written explanation of the aggregate anticipated cost or savings to:
A) State budget:
There are no anticipated costs or savings to the state budget because the tax credit no longer exists.
B) Local governments:
There are no anticipated costs or savings to local governments because this rulemaking is not applicable to them.
C) Small businesses ("small business" means a business employing 1-49 persons):
There are no anticipated costs or savings to small businesses because the tax credit no longer exists.
D) Non-small businesses ("non-small business" means a business employing 50 or more persons):
There are no anticipated costs or savings to non-small businesses because the tax credit no longer exists.
E) Persons other than small businesses, non-small businesses, state, or local government entities ("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency):
There are no anticipated costs or savings for Persons other than small businesses, and non-small businesses, state, or local government because the tax credit no longer exists.

F) Compliance costs for affected persons (How much will it cost an impacted entity to adhere to this rule or its changes?):

There are no anticipated compliance costs for affected persons.

G) Comments by the department head on the fiscal impact this rule may have on businesses (Include the name and title of the department head):

We do not expect any measurable fiscal impacts on businesses due to this rule repeal.

Kimberly D. Shelley, Executive Director of the Utah Department of Environmental

6. A) Regulatory Impact Summary Table (This table only includes fiscal impacts that could be measured. If there are inestimable fiscal impacts, they will not be included in this table. Inestimable impacts will be included in narratives above.)

Regulatory Impact Table			
Fiscal Cost	FY2022	FY2023	FY2024
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Cost	\$0	\$0	\$0
Fiscal Benefits			
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Benefits	\$0	\$0	\$0
Net Fiscal Benefits	\$0	\$0	\$0

B) Department head approval of regulatory impact analysis:

The head of the Department of Environmental Quality, Kimberly D. Shelley, has reviewed and approved of this impact analysis.

Citation Information

7. Provide citations to the statutory authority for the rule. If there is also a federal requirement for the rule, provide a citation to that requirement:

Section 59-7-605	Section 59-10-1009	Section 19-2-104
Section 19-1-402		

Incorporations by Reference Information

(If this rule incorporates more than two items by reference, please include additional tables.)

8. A) 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 the Office of Administrative Rules; *if none, leave blank*):

	First Incorporation
Official Title of Materials Incorporated (from title page)	
Publisher	
Date Issued	
Issue, or version	

B) 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 the Office of Administrative Rules; *if none, leave blank*):

	Second Incorporation
Official Title of Materials Incorporated (from title page)	
Publisher	
Date Issued	
Issue, or version	

Public Notice Information

9. 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. See Section 63G-3-302 and Rule R15-1 for more information.)		
A) Comments will be accepted until (mm/dd/yyyy):	11/01/2021	
B) A public hearing (optional) will be held:		
On (mm/dd/yyyy):	At (hh:mm AM/PM):	At (place):

10. This rule change MAY become effective on (mm/dd/yyyy):	January 1, 2022
NOTE: The date above is the date the agency anticipates making the rule or its changes effective. It is NOT the effective date. To make this rule effective, the agency must submit a Notice of Effective Date to the Office of Administrative Rules on or before the date designated in Box 10.	

Agency Authorization Information

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 <i>Utah State Bulletin</i> and delaying the first possible effective date.			
Agency head or designee, and title:	Bryce C. Bird, Director	Date (mm/dd/yyyy):	08/17/2021

[R307. Environmental Quality, Air Quality.

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

R307-121-1. Authorization and Purpose.

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

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

R307-121-2. Definitions.

_____ The following additional definitions apply to R307-121.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

_____ (b) a signed statement by either an Automotive Service Excellence (ASE)-certified technician or Canadian Standards Association (CSA) America CNG Fuel System Inspector that includes the VIN, the technician's ASE or CSA America certification number, and states

that the motor vehicle is an OEM natural gas, propane, qualifying electric or qualifying plug-in hybrid vehicle;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

R307-121-6. Proof of Lease to Demonstrate Eligibility for Qualifying Electric Motorcycle.

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

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

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

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

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

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

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

_____ To demonstrate that a conversion of a motor vehicle to be fueled by a clean fuel is eligible for the tax credit, proof of purchase shall be made, in accordance with 59-7-605(3)(b) or 59-10-1009(3)(b), by submitting the following documentation to the director:

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

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

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

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

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

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

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

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

~~**Date of Enactment or Last Substantive Amendment: September 3, 2015**~~

~~**Notice of Continuation: September 7, 2016**~~

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