



UTAH DEPARTMENT of  
ENVIRONMENTAL QUALITY  
**WASTE MANAGEMENT  
& RADIATION CONTROL**

This worksheet accompanies the Utah State Tax form TC-40R to submit claims for expenses and purchases of machinery/equipment to the Department of Environmental Quality (DEQ). It may help to print these instructions for your reference when filling out the worksheet. Several lines of example data are included. Please remove the example data before filling out the worksheet.

#### Basic Information Tab

'Basic Information' includes addresses for correspondence, and the location of the equipment and machinery being claimed. The 'Business Mailing Address' should be the address of the taxpayer and should be an address where official communications will be received promptly (e.g. please do not use an unmonitored P.O. box, etc.). If you are a tax professional preparing this worksheet for an individual or business and you would like to receive copies of correspondence, then add your mailing address as an 'Additional Mailing Address'.

#### Expenditures Tab

A maximum credit of \$2,000 may be claimed for expenditures that support the establishment and operation of recycling or composting technology. To enter in expenditures, select the type of expenditure from the list and then enter the date of purchase and the amount. If you need additional space to enter expenditures, you can insert rows at the bottom of the sheet above the total line.

As part of the verification process the Division requires a verification document for each expenditure and purchase that is made. These documents should be included as a separate attachment in a single PDF document titled "Verification Documents". Please note that this combined PDF will be used for both expenses and purchases of machinery and equipment.

Acceptable expenditure documents include a bill of sale, contract of sale, receipt, invoice, or other documentation that identifies the buyer, seller, purchase price, item(s) purchased, and the date of purchase. For recurring expenses such as rent (or lease/mortgage), enter a separate expense for each month, however, a single rental or lease agreement is acceptable as verification for all months of the recurring expense. For other recurring expenses similar documentation that shows the recurring status, effective date, and amount of the expense is acceptable.

Once all verification documents are in the combined PDF document, enter in the page number(s) of the document for each corresponding expenditure on the worksheet. Please ensure that all page numbers are correct before submitting the worksheet. Incomplete or incorrect data may delay certification of the tax credit, or result in rejection of the worksheet and require resubmission once errors are corrected.

#### Purchases Tab

The tax credit for purchases is equal to 4.95% of the purchase price paid for machinery and equipment used directly in commercial composting; or manufacturing facilities or plant units that manufacture, process, compound, or produce recycled items of tangible personal property for sale or reduce or reuse post-consumer waste material.

For purchases of machinery and equipment, enter the basic information including the make, model, and serial number. If the equipment has a more common name enter that in the column 'Machinery/Equipment Name' (e.g. a Bobcat S70 is commonly called a skid-steer or a Caterpillar D11R is commonly called a crawler dozer). Next, enter a short description of it's type or function (if needed). Enter the purchase date, and purchase price. If you need additional space to enter in purchases, you can insert rows at the bottom of the sheet above the total line.

#### Verification and Justification Tab

A verification document is needed for each purchase. These documents should be included in the same PDF titled "Verification Documents" that was used above for expenditures.

To complete verification and justification for purchases, select the verification document type from the list and merge the document into the "Verification Documents" PDF. Once all verification documents are in the combined PDF document, enter in the page number(s). Please ensure that all page numbers are correct before submitting the worksheet. Incomplete or incorrect data may delay certification of the tax credit, or result in rejection of the worksheet and require resubmission once errors are corrected.

Please remember that this combined PDF should include both expenses and purchases of machinery and equipment.

Please provide a statement describing how the equipment or machinery is used and why/how it is integral to the composting or recycling process. You may use as much room as you need to provide justification.

If you have any additional comments about the payment documentation that you have provided you may enter comments in the last column on the 'Verification and Justification' tab.

#### Certification Statement

As the last step in the claim process you are also required to complete the "Recycling Market Development Zone Tax Credit Worksheet Certification". This PDF available on the divisions website. Enter the required information and sign with a digital signature (you may also create a digital signature as part of the signing process). Alternatively print the certification, fill out the form, sign with a wet signature, scan the document, and return via email with your other documents to [DWMRCsubmit@utah.gov](mailto:DWMRCsubmit@utah.gov)



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Basic Identification Information

Business Name:  
Claim Year:  
EIN or Tax ID:  
Taxpayer Phone Number:

Business Mailing Address<sup>1</sup>

Addressee:  
Street Address:  
City:  
State:  
Zip Code:

Additional Mailing Address<sup>1</sup> (Optional)

Addressee:  
Street Address:  
City:  
State:  
Zip Code:  
Phone Number:

Location of machinery/equipment<sup>2</sup>

Addressee:  
Street Address:  
City:  
State:  
Zip Code:  
Phone Number:

Comments:

Notes:

<sup>1</sup>This address will be used for official communications, such as approval letters, inquiries, etc.

<sup>2</sup>This is the address where the machinery and equipment claimed is physically located or recycling/composting activities are performed.



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Type of Expenditure	Date of Purchase	Amount	Verification Document	Page Number(s)	Comment
Rent	1/31/2020	\$5,600.00	Lease Agreement	1-5	5-Year Lease
Rent	2/1/2020	\$5,600.00	Lease Agreement	1-5	5-Year Lease
Tools	2/12/2020	\$967.89	Invoice	6	
Rent	3/1/2020	\$5,600.00	Lease Agreement	1-5	5-Year Lease
<b>Total</b>		<b>\$17,767.89</b>	<b>*20% of total Expenditures=</b>	<b>\$3,553.58</b>	
<b>Total Tax Credit for Expenditures:</b>	<b>\$2,000.00</b>	*According to 59-7-610 and 59-10-1007 paragraph 1b the tax credit for expenditures cannot exceed \$2,000.			



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Make	Model	Serial/Identification Number	Machinery/Equipment Name	Description <sup>1</sup> (Type, Function, Etc.)	Purchase Date	Purchase Price
Kubota	M6-101	167SG459GA8T86446			1/26/2021	\$96,399.00
Cat	TL12555d	1T7H979AET461A66E	Telehandler	Bale Loader	1/29/2021	\$326,552.36
Cat	MH-3022	5S4J674FG6SFYK6S7F	Material Handler	Part Picker	2/4/2021	\$869,544.00
<b>Total</b>						<b>\$1,292,495.36</b>

Total Tax Credit for Expenditures <sup>2</sup> :	<b>\$63,978.52</b>	<small>This is the amount of your tax credit. Enter this number on your TC-40R</small>	<small><sup>1</sup>Optional  <sup>2</sup>This is calculated as 4.95% of total expenditures. There is no cap other than the credit cannot exceed 40% of your total tax liability. However, the tax credit can carry forward for 3 years.</small>
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Equipment Name / Make and Model	Serial/Identification Number	Verification Documentation	Page Number(s)	Justify how the machinery and equipment are integral to the composting or recycling process	Comments about purchase or payment documentation
Kubota M6-101	1675G459GA8T86446	Invoice	12-21	Used to move material from piles into recycling facility	
Telehandler	1T7H979AET461A66E	Invoice	22-28	Used to load baled materials onto trucks for distribution	
Material Handler	5S4J674FG6SFYK657F	Invoice	29-31	Used to separate recyclable parts from scrap and sort metals	