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TRANSPORTATION TAX AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Mike Schultz

Senate Sponsor: _____

LONG TITLE

General Description:

This bill reduces the tax on motor fuel, increases vehicle registration fees, and imposes a tax on the sale of electricity for electric vehicle charging.

Highlighted Provisions:

This bill:

- ▶ increases vehicle registration fees by \$5;
- ▶ reduces the tax on motor fuel;
- ▶ imposes a tax on the sale of electricity at an electric vehicle charging station and deposits the revenue into the Transportation Fund; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

41-1a-1206, as last amended by Laws of Utah 2022, Chapters 56, 259

59-13-201, as last amended by Laws of Utah 2022, Chapter 68

ENACTS:

59-30-101, Utah Code Annotated 1953



28 [59-30-102](#), Utah Code Annotated 1953

29 [59-30-103](#), Utah Code Annotated 1953



31 *Be it enacted by the Legislature of the state of Utah:*

32 Section 1. Section **41-1a-1206** is amended to read:

33 **41-1a-1206. Registration fees -- Fees by gross laden weight.**

34 (1) Except as provided in Subsections (2) and (3), at the time application is made for
35 registration or renewal of registration of a vehicle or combination of vehicles under this
36 chapter, a registration fee shall be paid to the division as follows:

37 (a) \$46.00 for each motorcycle;

38 (b) \$44 for each motor vehicle of 12,000 pounds or less gross laden weight, excluding
39 motorcycles;

40 (c) unless the semitrailer or trailer is exempt from registration under Section [41-1a-202](#)
41 or is registered under Section [41-1a-301](#):

42 (i) \$31 for each trailer or semitrailer over 750 pounds gross unladen weight; or

43 (ii) \$28.50 for each commercial trailer or commercial semitrailer of 750 pounds or less
44 gross unladen weight;

45 (d) (i) \$53 for each farm truck over 12,000 pounds, but not exceeding 14,000 pounds
46 gross laden weight; plus

47 (ii) \$9 for each 2,000 pounds over 14,000 pounds gross laden weight;

48 (e) (i) \$69.50 for each motor vehicle or combination of motor vehicles, excluding farm
49 trucks, over 12,000 pounds, but not exceeding 14,000 pounds gross laden weight; plus

50 (ii) \$19 for each 2,000 pounds over 14,000 pounds gross laden weight;

51 (f) (i) \$69.50 for each park model recreational vehicle over 12,000 pounds, but not
52 exceeding 14,000 pounds gross laden weight; plus

53 (ii) \$19 for each 2,000 pounds over 14,000 pounds gross laden weight;

54 (g) \$45 for each vintage vehicle that has a model year of 1981 or newer;

55 (h) in addition to the fee described in Subsection (1)(b):

56 (i) an amount equal to the road usage charge cap described in Section [72-1-213.1](#) for:

57 (A) each electric motor vehicle; and

58 (B) Each motor vehicle not described in this Subsection (1)(h) that is fueled

59 exclusively by a source other than motor fuel, diesel fuel, natural gas, or propane;

60 (ii) \$21.75 for each hybrid electric motor vehicle; and

61 (iii) \$56.50 for each plug-in hybrid electric motor vehicle; and

62 (i) in addition to the fee described in Subsection (1)(g), for a vintage vehicle that has a
63 model year of 1981 or newer, 50 cents.

64 (2) (a) At the time application is made for registration or renewal of registration of a
65 vehicle under this chapter for a six-month registration period under Section 41-1a-215.5, a
66 registration fee shall be paid to the division as follows:

67 (i) \$34.50 for each motorcycle; and

68 (ii) \$33.50 for each motor vehicle of 12,000 pounds or less gross laden weight,
69 excluding motorcycles.

70 (b) In addition to the fee described in Subsection (2)(a)(ii), for registration or renewal
71 of registration of a vehicle under this chapter for a six-month registration period under Section
72 41-1a-215.5 a registration fee shall be paid to the division as follows:

73 (i) an amount equal to the road usage charge cap described in Section 72-1-213.1 for:

74 (A) each electric motor vehicle; and

75 (B) each motor vehicle not described in this Subsection (2)(b) that is fueled exclusively
76 by a source other than motor fuel, diesel fuel, natural gas, or propane;

77 (ii) \$16.50 for each hybrid electric motor vehicle; and

78 (iii) \$43.50 for each plug-in hybrid electric motor vehicle.

79 (3) (a) Beginning on January 1, 2024, at the time of registration:

80 (i) in addition to the amounts described in Subsections (1)(a), (1)(b), (1)(c)(i),
81 (1)(c)(ii), (1)(d)(i), (1)(e)(i), (1)(f)(i), (1)(g), (4)(a), and (7), the individual shall also pay an
82 additional \$5 as part of the registration fee; and

83 (ii) in addition to the amounts described in Subsections (2)(a), the individual shall also
84 pay an additional \$3 as part of the registration fee.

85 [~~a~~] (b) (i) Beginning on January 1, 2019, the commission shall, on January 1,
86 annually adjust the registration fees described in Subsections (1)(a), (1)(b), (1)(c)(i), (1)(c)(ii),
87 (1)(d)(i), (1)(e)(i), (1)(f)(i), (1)(g), (2)(a), (3)(a), (4)(a), and (7), by taking the registration fee
88 rate for the previous year and adding an amount equal to the greater of:

89 (A) an amount calculated by multiplying the registration fee of the previous year by the

90 actual percentage change during the previous fiscal year in the Consumer Price Index; and

91 (B) 0.

92 (ii) Beginning on January 1, 2024, the commission shall, on January 1, annually adjust
93 the registration fees described in Subsections (1)(h)(ii) and (iii) and (2)(b)(ii) and (iii) by taking
94 the registration fee rate for the previous year and adding an amount equal to the greater of:

95 (A) an amount calculated by multiplying the registration fee of the previous year by the
96 actual percentage change during the previous fiscal year in the Consumer Price Index; and

97 (B) 0.

98 ~~[(b)]~~ (c) The amounts calculated as described in Subsection ~~[(3)(a)]~~ (3)(b) shall be
99 rounded up to the nearest 25 cents.

100 (4) (a) The initial registration fee for a vintage vehicle that has a model year of 1980 or
101 older is \$40.

102 (b) A vintage vehicle that has a model year of 1980 or older is exempt from the
103 renewal of registration fees under Subsection (1).

104 (c) A vehicle with a Purple Heart special group license plate issued in accordance with
105 Section 41-1a-421 is exempt from the registration fees under Subsection (1).

106 (d) A camper is exempt from the registration fees under Subsection (1).

107 (5) If a motor vehicle is operated in combination with a semitrailer or trailer, each
108 motor vehicle shall register for the total gross laden weight of all units of the combination if the
109 total gross laden weight of the combination exceeds 12,000 pounds.

110 (6) (a) Registration fee categories under this section are based on the gross laden
111 weight declared in the licensee's application for registration.

112 (b) Gross laden weight shall be computed in units of 2,000 pounds. A fractional part
113 of 2,000 pounds is a full unit.

114 (7) The owner of a commercial trailer or commercial semitrailer may, as an alternative
115 to registering under Subsection (1)(c), apply for and obtain a special registration and license
116 plate for a fee of \$130.

117 (8) Except as provided in Section 41-6a-1642, a truck may not be registered as a farm
118 truck unless:

119 (a) the truck meets the definition of a farm truck under Section 41-1a-102; and

120 (b) (i) the truck has a gross vehicle weight rating of more than 12,000 pounds; or

121 (ii) the truck has a gross vehicle weight rating of 12,000 pounds or less and the owner
122 submits to the division a certificate of emissions inspection or a waiver in compliance with
123 Section 41-6a-1642.

124 (9) A violation of Subsection (8) is an infraction that shall be punished by a fine of not
125 less than \$200.

126 (10) Trucks used exclusively to pump cement, bore wells, or perform crane services
127 with a crane lift capacity of five or more tons, are exempt from 50% of the amount of the fees
128 required for those vehicles under this section.

129 Section 2. Section 59-13-201 is amended to read:

130 **59-13-201. Rate -- Tax basis -- Exemptions -- Revenue deposited into the**
131 **Transportation Fund -- Restricted account for boating uses -- Refunds -- Reduction of tax**
132 **in limited circumstances.**

133 (1) (a) Subject to the provisions of this section and except as provided in Subsection
134 (1)(e), a tax is imposed at the rate of [~~16.5~~] 15.6% of the statewide average rack price of a
135 gallon of motor fuel per gallon upon all motor fuel that is sold, used, or received for sale or
136 used in this state.

137 (b) (i) Until December 31, 2018, and subject to the requirements under Subsection
138 (1)(c), the statewide average rack price of a gallon of motor fuel under Subsection (1)(a) shall
139 be determined by calculating the previous fiscal year statewide average rack price of a gallon of
140 regular unleaded motor fuel, excluding federal and state excise taxes, for the 12 months ending
141 on the previous June 30 as published by an oil pricing service.

142 (ii) Beginning on January 1, 2019, and subject to the requirements under Subsection
143 (1)(c), the statewide average rack price of a gallon of motor fuel under Subsection (1)(a) shall
144 be determined by calculating the previous three fiscal years statewide average rack price of a
145 gallon of regular unleaded motor fuel, excluding federal and state excise taxes, for the 36
146 months ending on the previous June 30 as published by an oil pricing service.

147 (c) (i) Subject to the requirement in Subsection (1)(c)(ii), the statewide average rack
148 price of a gallon of motor fuel determined under Subsection (1)(b) may not be less than \$1.78
149 per gallon.

150 (ii) Beginning on January 1, 2019, the commission shall, on January 1, annually adjust
151 the minimum statewide average rack price of a gallon of motor fuel described in Subsection

152 (1)(c)(i) by taking the minimum statewide average rack price of a gallon of motor fuel for the
153 previous calendar year and adding an amount equal to the greater of:

154 (A) an amount calculated by multiplying the minimum statewide average rack price of
155 a gallon of motor fuel for the previous calendar year by the actual percent change during the
156 previous fiscal year in the Consumer Price Index; and

157 (B) 0.

158 (iii) The statewide average rack price of a gallon of motor fuel determined by the
159 commission under Subsection (1)(b) may not exceed \$2.43 per gallon.

160 (iv) The minimum statewide average rack price of a gallon of motor fuel described and
161 adjusted under Subsections (1)(c)(i) and (ii) may not exceed the maximum statewide average
162 rack price of a gallon of motor fuel under Subsection (1)(c)(iii).

163 (d) (i) The commission shall annually:

164 (A) determine the statewide average rack price of a gallon of motor fuel in accordance
165 with Subsections (1)(b) and (c);

166 (B) adjust the fuel tax rate imposed under Subsection (1)(a), rounded to the nearest
167 one-tenth of a cent, based on the determination under Subsection (1)(b);

168 (C) publish the adjusted fuel tax as a cents per gallon rate; and

169 (D) post or otherwise make public the adjusted fuel tax rate as determined in
170 Subsection (1)(d)(i)(B) no later than 60 days before the annual effective date under Subsection
171 (1)(d)(ii).

172 (ii) The tax rate imposed under this Subsection (1) and adjusted as required under
173 Subsection (1)(d)(i) shall take effect on January 1 of each year.

174 (e) In lieu of the tax imposed under Subsection (1)(a) and subject to the provisions of
175 this section, a tax is imposed at the rate of 3/19 of the rate imposed under Subsection (1)(a),
176 rounded up to the nearest penny, upon all motor fuels that meet the definition of clean fuel in
177 Section [59-13-102](#) and are sold, used, or received for sale or use in this state.

178 (2) Any increase or decrease in tax rate applies to motor fuel that is imported to the
179 state or sold at refineries in the state on or after the effective date of the rate change.

180 (3) (a) No motor fuel tax is imposed upon:

181 (i) motor fuel that is brought into and sold in this state in original packages as purely
182 interstate commerce sales;

183 (ii) motor fuel that is exported from this state if proof of actual exportation on forms
184 prescribed by the commission is made within 180 days after exportation;

185 (iii) motor fuel or components of motor fuel that is sold and used in this state and
186 distilled from coal, oil shale, rock asphalt, bituminous sand, or solid hydrocarbons located in
187 this state; or

188 (iv) motor fuel that is sold to the United States government, this state, or the political
189 subdivisions of this state.

190 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
191 commission shall make rules governing the procedures for administering the tax exemption
192 provided under Subsection (3)(a)(iv).

193 (4) The commission may either collect no tax on motor fuel exported from the state or,
194 upon application, refund the tax paid.

195 (5) (a) All revenue received by the commission under this part shall be deposited daily
196 with the state treasurer and credited to the Transportation Fund.

197 (b) An appropriation from the Transportation Fund shall be made to the commission to
198 cover expenses incurred in the administration and enforcement of this part and the collection of
199 the motor fuel tax.

200 (6) (a) The commission shall determine what amount of motor fuel tax revenue is
201 received from the sale or use of motor fuel used in motorboats registered under Title 73,
202 Chapter 18, State Boating Act, and this amount shall be deposited into a restricted revenue
203 account in the General Fund of the state.

204 (b) The funds from this account shall be used for the construction, improvement,
205 operation, and maintenance of state-owned boating facilities and for the payment of the costs
206 and expenses of the Division of Outdoor Recreation in administering and enforcing Title 73,
207 Chapter 18, State Boating Act.

208 (7) (a) The United States government or any of its instrumentalities, this state, or a
209 political subdivision of this state that has purchased motor fuel from a licensed distributor or
210 from a retail dealer of motor fuel and has paid the tax on the motor fuel as provided in this
211 section is entitled to a refund of the tax and may file with the commission for a quarterly
212 refund.

213 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

214 commission shall make rules governing the application and refund provided for in Subsection
215 (7)(a).

216 (8) (a) The commission shall refund annually into the Off-highway Vehicle Account in
217 the General Fund an amount equal to .5% of the motor fuel tax revenues collected under this
218 section.

219 (b) This amount shall be used as provided in Section [41-22-19](#).

220 (9) (a) Beginning on April 1, 2001, a tax imposed under this section on motor fuel that
221 is sold, used, or received for sale or use in this state is reduced to the extent provided in
222 Subsection (9)(b) if:

223 (i) a tax imposed on the basis of the sale, use, or receipt for sale or use of the motor
224 fuel is paid to the Navajo Nation;

225 (ii) the tax described in Subsection (9)(a)(i) is imposed without regard to whether or
226 not the person required to pay the tax is an enrolled member of the Navajo Nation; and

227 (iii) the commission and the Navajo Nation execute and maintain an agreement as
228 provided in this Subsection (9) for the administration of the reduction of tax.

229 (b) (i) If but for Subsection (9)(a) the motor fuel is subject to a tax imposed by this
230 section:

231 (A) the state shall be paid the difference described in Subsection (9)(b)(ii) if that
232 difference is greater than \$0; and

233 (B) a person may not require the state to provide a refund, a credit, or similar tax relief
234 if the difference described in Subsection (9)(b)(ii) is less than or equal to \$0.

235 (ii) The difference described in Subsection (9)(b)(i) is equal to the difference between:

236 (A) the amount of tax imposed on the motor fuel by this section; less

237 (B) the tax imposed and collected by the Navajo Nation on the motor fuel.

238 (c) For purposes of Subsections (9)(a) and (b), the tax paid to the Navajo Nation under
239 a tax imposed by the Navajo Nation on the basis of the sale, use, or receipt for sale or use of
240 motor fuel does not include any interest or penalties a taxpayer may be required to pay to the
241 Navajo Nation.

242 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
243 commission shall make rules governing the procedures for administering the reduction of tax
244 provided under this Subsection (9).

- 245 (e) The agreement required under Subsection (9)(a):
246 (i) may not:
247 (A) authorize the state to impose a tax in addition to a tax imposed under this chapter;
248 (B) provide a reduction of taxes greater than or different from the reduction described
249 in this Subsection (9); or
250 (C) affect the power of the state to establish rates of taxation;
251 (ii) shall:
252 (A) be in writing;
253 (B) be signed by:
254 (I) the chair of the commission or the chair's designee; and
255 (II) a person designated by the Navajo Nation that may bind the Navajo Nation;
256 (C) be conditioned on obtaining any approval required by federal law;
257 (D) state the effective date of the agreement; and
258 (E) state any accommodation the Navajo Nation makes related to the construction and
259 maintenance of state highways and other infrastructure within the Utah portion of the Navajo
260 Nation; and
261 (iii) may:
262 (A) notwithstanding Section 59-1-403, authorize the commission to disclose to the
263 Navajo Nation information that is:
264 (I) contained in a document filed with the commission; and
265 (II) related to the tax imposed under this section;
266 (B) provide for maintaining records by the commission or the Navajo Nation; or
267 (C) provide for inspections or audits of distributors, carriers, or retailers located or
268 doing business within the Utah portion of the Navajo Nation.
269 (f) (i) If, on or after April 1, 2001, the Navajo Nation changes the tax rate of a tax
270 imposed on motor fuel, any change in the reduction of taxes under this Subsection (9) as a
271 result of the change in the tax rate is not effective until the first day of the calendar quarter after
272 a 60-day period beginning on the date the commission receives notice:
273 (A) from the Navajo Nation; and
274 (B) meeting the requirements of Subsection (9)(f)(ii).
275 (ii) The notice described in Subsection (9)(f)(i) shall state:

276 (A) that the Navajo Nation has changed or will change the tax rate of a tax imposed on
277 motor fuel;

278 (B) the effective date of the rate change of the tax described in Subsection (9)(f)(ii)(A);
279 and

280 (C) the new rate of the tax described in Subsection (9)(f)(ii)(A).

281 (g) If the agreement required by Subsection (9)(a) terminates, a reduction of tax is not
282 permitted under this Subsection (9) beginning on the first day of the calendar quarter after a
283 30-day period beginning on the day the agreement terminates.

284 (h) If there is a conflict between this Subsection (9) and the agreement required by
285 Subsection (9)(a), this Subsection (9) governs.

286 Section 3. Section 59-30-101 is enacted to read:

287 **CHAPTER 30. ELECTRIC VEHICLE CHARGING TAX**

288 **Part 1. Electric Vehicle Charging Tax**

289 **59-30-101. Definitions.**

290 As used in this chapter:

291 (1) "Charging station" means equipment designed to deliver electric energy to an
292 electric vehicle for a fee.

293 (2) "Charging station operator" means a person who owns or operates a charging
294 station in the state.

295 (3) "Electric vehicle" means a qualifying electric vehicle or qualifying plug-in hybrid
296 vehicle.

297 (4) "Qualifying electric vehicle" means the same as that term is defined in Section
298 11-42a-102.

299 (5) "Qualifying plug-in hybrid vehicle" means the same as that term is defined in
300 Section 11-42a-102.

301 Section 4. Section 59-30-102 is enacted to read:

302 **59-30-102. Imposition -- Rate -- Revenue distribution.**

303 (1) There is levied a tax upon the retail sale of electric current sold by a charging
304 station operator to charge or recharge an electric vehicle.

305 (2) The tax levied under Subsection (1) is imposed at a rate of 8%.

306 (3) (a) A charging station operator shall remit a return on the tax imposed in

307 Subsection (1) in an electronic format approved by the commission on the same schedule as the
308 charging station operator's sales and use tax filing.

309 (b) The return described in Subsection (3)(a) is due and payable according to the same
310 terms and schedule as the charging station operator's sales and use tax remittance schedule.

311 (4) (a) Each charging station operator shall furnish with each sale an itemized invoice,
312 including:

313 (i) the name of the charging station operator;

314 (ii) the date of sale;

315 (iii) the number of kilowatt hours sold;

316 (iv) the cost per kilowatt hour; and

317 (v) the total cost of the transaction.

318 (b) The invoice shall indicate whether the price includes the tax imposed under
319 Subsection (1).

320 (5) In addition to the tax required by this part, a charging station operator shall pay a
321 penalty as provided in Section 59-1-401, plus interest at the rate and in the manner prescribed
322 in Section 59-1-402, if the charging station operator subject to this section fails to:

323 (a) pay the tax prescribed by this section;

324 (b) pay the tax on time; or

325 (c) file a return required by this section.

326 (6) The commission shall deposit revenue from the tax imposed in Subsection (1) into
327 the Transportation Fund.

328 Section 5. Section **59-30-103** is enacted to read:

329 **59-30-103. Collection of electric vehicle charging tax.**

330 (1) The commission shall administer, collect, and enforce a tax under this chapter in
331 accordance with:

332 (a) Chapter 1, General Taxation Policies; and

333 (b) the same procedures used to administer, collect, and enforce the tax under Chapter
334 12, Part 1, Tax Collection.

335 (2) A charging station operator required to collect a tax under this chapter may retain
336 6% of any amounts the seller is required to remit to the commission under this chapter for the
337 costs of collecting the tax.

338 (3) The commission shall retain and deposit an administrative charge in accordance
339 with Section [59-1-306](#) from the revenues the commission collects from a tax under this
340 chapter.

341 Section 6. **Effective date.**

342 This bill takes effect on January 1, 2024.