



Utah's Clean Fuel Tax Credit Program and Grant & Loan Program

*Public Service Commission Technical
Conference on Natural Gas Vehicles
October 8, 2009*



The Utah Department of Environmental Quality Division of Air Quality Manages Two Programs for Clean Fuels

- Tax Credit Program for clean fuel vehicles
 - **Original Equipment Manufacturer (OEM) Compressed Natural Gas Vehicles:**
 - 35 percent of the vehicle's purchase price minus any grant received, up to \$2,500 per vehicle registered in Utah if:
 - It is fueled by natural gas
 - It meets the clean fuel vehicle standards in the Clean Air Act; and
 - A previous owner did not take the same credit.
 - **Motor Vehicles that meet Air Quality and Fuel Economy Standards:**
 - \$750 for the Original purchase of a new vehicle that is not fueled by compressed natural gas if the vehicle:
 - meets air quality and fuel economy standards (see tables to see which vehicles maybe eligible to receive this credit);
 - has never been titled or registered and has been driven less than 7,500 miles; and
 - Must be an original purchase of a new vehicle.



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- Tax Credit Program for clean fuel vehicles
 - **Converted vehicles**
 - 50 percent of the cost of equipment for conversion minus any grant received, up to \$2,500 per vehicle registered in Utah if:
 - It is to be fueled by propane, natural gas, or electricity;
 - It is to be fueled by another fuel determined by the Air Quality Board to be as effective as the above listed fuels; or
 - It will meet the clean fuel vehicle standards in the Clean Air Act; and
 - A previous owner did not take the same credit.
 - **Special Mobile Equipment Converted to Clean Fuels:**
 - 50 percent of the cost of equipment for conversion of special mobile equipment engine minus any grant received, up to maximum tax credit of \$1,000 per special mobile equipment engine, if:
 - It is to be fueled by propane, compressed natural gas, or electricity;
 - It is to be fueled by another fuel determined by the Air Quality Board to be:
 - As effective as the above listed fuels, or
 - Substantially more effective in reducing air pollution than the fuel for which the engine was originally designed.
 - A previous owner did not take the same credit.



Clean Fuel Tax Credit Issued from 2003-2009 Tax Year (as of October 6, 2009)

Tax Year	Tax Credits	CNG	Hybrid	Propane	Full Electric
2009	\$ 60,030	30	0	0	0
2008	\$ 4,007,706	1408	5	5	5
2007	\$1,694,500	603	0	0	0
2006	\$ 576,786	197	0	0	0
2005	\$ 683,015	111	150	4	0
2004	\$ 430,802	107	55	2	0
2003	\$ 300,666	64	47	1	0



Link to Information on Utah's Clean Fuel Tax Credit Program

See:

http://www.airquality.utah.gov/Planning/Mobile/Clean_Fuel_Tax_Credit.htm



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Clean Fuel Vehicle Grant and Loan Program

- This program, funded through the Clean Fuels and Vehicle Technology Fund, provides grants and loans to assist businesses and government entities in covering:
 - the cost of converting a vehicle to operate on clean fuels;
 - the incremental cost of purchasing an Original Equipment Manufacturer (OEM) clean fuel vehicle;
 - and the cost of retrofitting diesel vehicles with U.S. Environmental Protection Agency verified closed crankcase filtration devices, diesel oxidation catalysts, and/or diesel particulate filters.



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Clean Fuel Vehicle Grant and Loan Program

- The program also provides loans for the purchase of fueling equipment for public/private sector business and government vehicles;
- The program can provide grants to serve as matching funds for federal and non-federal grants for the purpose of purchasing fueling equipment for public/private sector business and government vehicles; and
- The program can provide grants and loans to serve as matching funds for federal and non-federal grants for the purpose of converting vehicles to operate on a clean fuel, purchasing OEM clean fuel vehicles, or retrofitting diesel vehicles.



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Clean Fuel Vehicle Grant and Loan Program

■ **Restrictions and Limitations**

- The annual combined total for both grants and loans approved shall not exceed a maximum of \$250,000 for a total of \$500,000/year.
- The maximum amount that may be approved by the Department for a loan or a grant is \$100,000 per project; the minimum amount that may be approved is \$5,000 per project.
- The maximum number of vehicles purchased, converted, or retrofitted using grant funds by any fleet operator shall not exceed 100 vehicles.
- [19-1-403 \(1\)\(b\)](#) and [R305-4-9](#) (36 KB) describe all of the restrictions for the Loan program.
- [19-1-403 \(1\)\(c\)](#) and [R305-4-8](#) (21 KB) describe the restrictions for the Grant program.
- Loan rates for a private sector vehicle shall be made at an interest rate provided by Subsection [19-1-404\(2\)\(c\)](#).



Link to Information on Utah's Vehicle Grant and Loan Program

See: http://www.airquality.utah.gov/Planning/Mobile/Grant_and_Loan.htm