

BE IT ENACTED by the Senate and House of Representatives of the Utah Congress.

Sec. 1 To conserve the wellness of our environment in the State of Utah, there will be a fee of \$75 million per year on natural gas and oil extraction.

Sec. 2 In addition to this fee there will also be a severance tax rate adjustment on natural gas and oil as follows:

- a. A raise to 7% of the taxable value of the oil up to and including the first \$13.00 per barrel and;
- b. A raise to 12% of the taxable value of the oil for \$13.01 and above per barrel oil.
- c. A raise to 7% of the taxable value of gas up to and including the first \$1.50 MCF (thousand cubic feet) for gas and;
- d. A raise to 12% of the taxable value of the additional \$1.51 and above per MCF (thousand cubic feet) for gas.

Sec. 3 The revenue generated from this increase will be used to reconstruct whatever damage may occur during the natural gas and oil extractions.

Sec. 4 A portion of this revenue will also be used by the State of Utah to fund research for new and renewable resources.

Sec. 5 Additionally, this revenue will be used to increase the Income Tax Credit to \$4,000.00 for the original purchase of new qualifying Plug-in hybrid vehicles registered in Utah.

Sec. 6 This revenue will raise the Residential Tax Credit to 35% of eligible system cost, or value of \$8,000.00 whichever is less.

Sec. 7 In addition, there will be an increase for the Commercial Tax Credit to 20% of eligible system cost or \$90,000.00 whichever is less.

Sec. 8 Business that improve the general welfare of the environment including solar companies and hybrid vehicle companies will be allowed a two-year grace period where state income tax will be cut in half to promote the job opportunities in the case of job loss in natural gas and oil industry.

Sec. 9 This bill takes effect during the 2019 fiscal year: July 1, 2018.