

1 HB322
2 148374-1
3 By Representative Wren
4 RFD: Ways and Means Education
5 First Read: 21-FEB-13

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8 SYNOPSIS: This bill would encourage the use of motor
9 vehicles powered by compressed natural gas,
10 liquefied natural gas, propane, hybrid technology,
11 and electricity by providing tax credits for the
12 acquisition of such vehicles, or the modification
13 of motor vehicles to utilize such fuel and power
14 sources, and for the installation of refueling
15 equipment for such vehicles.

16
17 A BILL
18 TO BE ENTITLED
19 AN ACT
20

21 To provide for an income tax credit of no more than
22 \$1,500 for certain alternative fuel alternative technology
23 vehicles, limited to 5,000 vehicles per fuel and technology
24 type; to allow an income tax credit for placing in service
25 refueling equipment for certain alternative fuel vehicles,
26 limited to the lower of 30 percent of the cost of such
27 equipment, or dollar limits based on the type of fuel; to

1 provide that, as to both income tax credits, unused credits
2 could be carried forward for five years; to provide that both
3 credits would expire five years after the effective date of
4 the provisions.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. As used in this section, the following
7 terms shall have the following meanings:

8 (1) DEPARTMENT. The Alabama Department of Revenue.

9 (2) MANUFACTURER. The term has the meaning given in
10 regulations prescribed by the Administrator of the United
11 States Environmental Protection Agency for purposes of the
12 administration of Title II of the Clean Air Act 42 U.S.C. §§
13 7521 et seq.

14 (3) MODIFIED VEHICLE. A motor vehicle with at least
15 four wheels which:

16 a. Was manufactured primarily for use on public
17 streets, roads, and highways.

18 b. Is owned by the taxpayer.

19 c. Is registered in this state.

20 d. On or after October 1, 2013, is modified by the
21 installation of equipment which is certified by the U.S.
22 Environmental Protection Agency so that the vehicle is
23 propelled to a significant extent by a specified engine.

24 (4) QUALIFIED VEHICLE. A motor vehicle with at least
25 four wheels which:

26 a. Is manufactured by a manufacturer.

1 b. Is manufactured primarily for use on public
2 streets, roads, and highways.

3 c. Has not been modified from original manufacturer
4 specifications.

5 d. Has an original use commencing with the taxpayer.

6 e. Is acquired by the taxpayer on or after October
7 1, 2013.

8 f. Is acquired for use or lease by the taxpayer and
9 not for resale.

10 g. Is acquired in this state from a seller who has
11 previously registered for participation herein with the
12 department.

13 h. Is acquired for registration in this state.

14 i. Is propelled to a significant extent by a
15 specified engine.

16 (5) SPECIFIED ENGINE. Any one of the following:

17 a. A motor powered by compressed natural gas.

18 b. A motor powered by liquefied natural gas.

19 c. A motor powered by propane.

20 d. A motor vehicle which draws electricity from a
21 battery which has a capacity of not less than four kilowatt
22 hours and is capable of being recharged from an external
23 source of electricity.

24 e. A hybrid motor that draws propulsion energy from
25 an on-board source of stored energy which is both an internal
26 combustion or heat engine using combustible fuel and a
27 rechargeable energy storage system.

1 Section 2. (a) A nonrefundable credit against income
2 tax shall be allowed for the acquisition of a qualified
3 vehicle or the placing in service of a modified vehicle. As to
4 qualified vehicles, the credit allowed under this section
5 shall equal the lesser of 100 percent of the cost of the
6 qualified vehicle, or one thousand five hundred dollars
7 (\$1,500). As to modified vehicles, the credit allowed under
8 this section shall equal the lesser of 100 percent of the cost
9 of the modifications, or one thousand five hundred dollars
10 (\$1,500).

11 (b) Upon the acquisition of a qualified vehicle, the
12 taxpayer shall be provided with a certificate from the seller
13 certifying that the vehicle is eligible for the credit
14 provided in this section. A copy of the certificate shall be
15 submitted by the taxpayer to the department with the annual
16 income tax return or amendment thereof on which the taxpayer
17 claims the credit. On the same day as the acquisition, the
18 seller shall submit to the department a copy of the
19 certificate. The certificate shall be of a form approved by
20 the department. The department, by regulation, shall notify
21 all sellers that, effective on the following day, the credit
22 provided by this section shall no longer be available for
23 qualified vehicles or modified vehicles using the type of
24 specified engine, and the department shall accept no
25 additional certificates as to such type of specified engine,
26 but shall continue to accept certificates for any other
27 unexpired types of specified engines. Any seller which

1 thereafter issues certificates as to such manufacturer shall
2 be liable to the taxpayer for the amount of the tax credit.
3 The department, by regulation, shall implement a system for
4 notifications as to modified vehicles.

5 (c) Within 10 days of the receipt of 5,000
6 certificates for qualified vehicles or modified vehicles using
7 any one type of specified engine, the department shall notify
8 all sellers that, effective on the following day, the credit
9 provided by this section shall no longer be available for
10 qualified vehicles or modified vehicles using such type of
11 specified engine, and the department shall accept no
12 additional certificates as to such type of specified engine,
13 but shall continue to accept certificates for any other
14 unexpired types of specified engines. Any seller which
15 thereafter issues certificates as to such manufacturer shall
16 be liable to the taxpayer for the amount of the tax credit.
17 The department, by regulation, shall implement a system for
18 notifications as to modified vehicles.

19 (d) If the credit allowed by this section exceeds
20 the amount of income tax otherwise owed, the taxpayer may
21 carry the credit forward to each of the five years following
22 the tax year that the credit was originally to be allowed.
23 Various credits carried forward are considered to be applied
24 in the order of the tax years for which such credits were
25 first allowed, beginning with the credit for the earliest tax
26 year.

1 (e) Except as provided in subsection (d), the credit
2 provided for in this section shall be allowed only during the
3 five-year period beginning on the effective date of this act.

4 (f) The department may promulgate rules for the
5 administration of this act.

6 Section 3. (a) As used in this section, the
7 following terms shall have the following meanings:

8 (1) DEPARTMENT. The Alabama Department of Revenue.

9 (2) PERMITTED VEHICLE. A motor vehicle with at least
10 four wheels which:

11 a. Is manufactured primarily for use on public
12 streets, roads, and highways.

13 b. Is propelled to a significant extent by one of
14 the following:

15 1. A motor powered by compressed natural gas,
16 liquefied natural gas, propane, electricity, or hybrid
17 technology.

18 2. A motor vehicle which draws electricity from a
19 battery which has a capacity of not less than four kilowatt
20 hours and is capable of being recharged from an external
21 source of electricity.

22 3. A hybrid motor that draws propulsion energy from
23 an on-board source of stored energy which is both an internal
24 combustion or heat engine using combustible fuel and a
25 rechargeable energy storage system.

1 (3) REFUELING EQUIPMENT. Equipment which supplies
2 fuel or electricity for the refueling or recharging of
3 permitted vehicles.

4 (b) A nonrefundable credit against income tax shall
5 be allowed for the placement in service of refueling
6 equipment, the original use of which commences with the
7 taxpayer. The credit allowed under this section shall equal
8 the lesser of 30 percent of the cost of the refueling
9 equipment or the following:

10 (1) For refueling equipment for compressed natural
11 gas, five thousand dollars (\$5,000).

12 (2) For refueling equipment for liquefied natural
13 gas, five thousand dollars (\$5,000).

14 (3) For refueling equipment for propane, two
15 thousand dollars (\$2,000).

16 (4) For refueling equipment for electricity, five
17 hundred dollars (\$500).

18 (c) If the credit allowed by this section exceeds
19 the amount of income tax otherwise owed, the taxpayer may
20 carry the credit forward to each of the five years following
21 the tax year that the credit was originally to be allowed.
22 Various credits carried forward are considered to be applied
23 in the order of the tax years for which such credits were
24 first allowed, beginning with the credit for the earliest tax
25 year.

1 (d) Except as provided in subsection (c), the credit
2 provided for in this section shall be allowed only during the
3 five-year period beginning on the effective date of this act.

4 (e) The department may promulgate rules for the
5 administration of this act.

6 Section 4. This act shall take effect on the first
7 day of the second full month following passage and approval by
8 the Governor, or upon its otherwise becoming law.