

2014 -- S 2202

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO TAXATION - ALTERNATIVE FUEL INFRASTRUCTURE INCENTIVE

Introduced By: Senators Miller, Sosnowski, DiPalma, Felag, and Bates

Date Introduced: January 30, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
2 adding thereto the following chapter:

3 CHAPTER 39.4

4 ALTERNATIVE FUEL INFRASTRUCTURE INCENTIVE

5 **44-39.4-1. Definitions.** – As used in this chapter:

6 (1) "Alternative fuel for motor vehicles" means any of the following, which is used for
7 the propulsion of motor vehicles:

8 (i) Compressed natural gas;

9 (ii) Liquefied natural gas;

10 (iii) Liquefied petroleum gas;

11 (iv) Hydrogen;

12 (v) Any liquid at least eighty-five percent (85%) of the volume of which consists of
13 ethanol;

14 (vi) Electricity.

15 **44-39.4-2. Tax credits for installing alternative fuel facilities.** -- **(a) Refueling**
16 **property credit** – A taxpayer that constructs and installs and places in service in this state a
17 qualified commercial or residential facility for dispensing alternative fuel for motor vehicles is
18 allowed a credit equal to thirty percent (30%) of the cost to the taxpayer for the purchase of any
19 equipment that is used for dispensing or storing alternative fuel for motor vehicles and thirty

1 percent (30%) of the cost to the taxpayer for the purchase of constructing and installing the part
2 of the dispensing facility, including pumps, storage tanks, and related equipment, that is used for
3 dispensing or storing alternative fuel for motor vehicles. A facility is qualified if the equipment
4 used to store or dispense alternative fuel for motor vehicles is labeled for this purpose and clearly
5 identified as associated with alternative fuel. For commercial facilities, the entire credit may not
6 be taken for the taxable year in which the facility is placed in service but must be taken in three
7 (3) equal annual installments beginning with the taxable year in which the facility is placed in
8 service. If, in one of the years in which the installment of a credit accrues, the portion of the
9 facility directly and exclusively used for dispensing or storing alternative fuel for motor vehicles
10 is disposed of or taken out of service, the credit expires and the taxpayer may not take any
11 remaining installment of the credit. The taxpayer may, however, take the portion of an installment
12 that accrued in a previous year and was carried forward to the extent permitted under chapters 11,
13 13, 14, 15, 17 and 30 of this title. For residential facilities, the entire value of the credit must be
14 claimed in the taxable year the costs are incurred.

15 (b) Property used by tax-exempt entity – In the case of any qualified commercial facility
16 for dispensing alternative fuel for motor vehicles sold to a tax-exempt nonprofit organization or
17 unit of state or local government, the person who sold such property to the person or entity using
18 the facility shall be treated as the taxpayer that placed the facility in service. The person taking
19 the credit must clearly disclose to the entity purchasing the property for the qualified facility any
20 credit allowed under this section.

21 SECTION 2. This act shall take effect upon passage and this chapter would be repealed
22 on January 1, 2018.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO TAXATION - ALTERNATIVE FUEL INFRASTRUCTURE INCENTIVE

- 1 This act would create tax incentives for the installation of alternative fuel facilities.
- 2 This act would take effect upon passage and this chapter would be repealed on January 1,
- 3 2018.

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