

House Bill 877

By: Representatives Kaiser of the 59<sup>th</sup>, Drenner of the 85<sup>th</sup>, Holcomb of the 81<sup>st</sup>, Frye of the 118<sup>th</sup>, and Fludd of the 64<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 48-7-40.16 of the Official Code of Georgia Annotated, relating to  
2 income tax credits for low-emission vehicles, so as to provide for definitions; to provide for  
3 tax credits for plug-in electric vehicles; to repeal provisions regarding low-speed vehicles;  
4 to provide for certain limitations; to provide for related matters; to repeal conflicting laws;  
5 and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 48-7-40.16 of the Official Code of Georgia Annotated, relating to income tax  
9 credits for low-emission vehicles, is amended by revising the Code section as follows:

10 "48-7-40.16.

11 (a) As used in this Code section, the term:

12 (1) 'Alternative fuel' means methanol, denatured ethanol, and other alcohols; ~~mixtures~~  
13 ~~containing 85 percent or more by volume of methanol, denatured ethanol, and other~~  
14 ~~alcohols with gasoline or other fuels;~~ natural gas; liquefied petroleum gas; hydrogen; coal  
15 derived liquid fuels; and fuels other than alcohol derived from biological materials; ~~and~~  
16 ~~electricity, including electricity from solar energy.~~

17 (2) 'Clean fueled vehicle' means a motor vehicle which has been certified by the  
18 Environmental Protection Agency to meet, for any model year, a set of emission  
19 standards that classifies it as a low-emission vehicle or ~~zero emission vehicle~~ which is a  
20 plug-in electric vehicle.

21 (3) 'Conventionally fueled vehicle' means a motor vehicle which is fueled solely by a  
22 petroleum based fuel such as gasoline or diesel.

23 (4) 'Converted vehicle' means a motor vehicle that is retrofitted so that it is fueled solely  
24 by an alternative fuel and which meets the emission standards set forth for that class of  
25 low-emission vehicles as defined under rules and regulations of the Board of Natural  
26 Resources applicable to clean fueled vehicles, as amended, when operating on such

27 alternative fuel, or which meets the emission standards set forth for zero emission  
28 vehicles as defined under rules and regulations of the Board of Natural Resources.

29 (5) 'Low-emission vehicle' means a motor vehicle which is fueled solely by an  
30 alternative fuel and which meets emission standards as defined under rules and  
31 regulations of the Board of Natural Resources applicable to clean fueled vehicles  
32 classified as low-emission vehicles, as amended, when operating on such alternative fuel.

33 (6) 'Motor vehicle' means any self-propelled vehicle designed for transporting persons  
34 or property on a street or highway that is registered by the Department of Revenue,  
35 except vehicles that are defined as 'low-speed vehicles' in paragraph (25.1) of Code  
36 Section 40-1-1.

37 ~~(7) 'Zero emission vehicle' means a motor vehicle which has zero tailpipe and~~  
38 ~~evaporative emissions as defined under rules and regulations of the Board of Natural~~  
39 ~~Resources applicable to clean fueled vehicles, as amended, and shall include an electric~~  
40 ~~vehicle whose drive train is powered solely by electricity, provided said electricity is not~~  
41 ~~provided by any on-board combustion device~~ 'Plug-in electric vehicle' means a motor  
42 vehicle which is fully or partially functional on electricity, provided that any such vehicle  
43 shall have a battery capacity of not less than four kilowatt hours and be capable of being  
44 recharged from an external source of electricity.

45 (b)(1) A tax credit is allowed against the tax imposed under this article to a taxpayer for  
46 the purchase or lease of a new low-emission vehicle or new ~~zero emission~~ plug-in electric  
47 vehicle that is registered in the State of Georgia. The amount of the credit from  
48 July 1, 2016, to December 31, 2017, shall be:

49 (A) For any new low-emission vehicle, 10 percent of the cost of such vehicle  
50 or \$2,500.00, whichever is less; ~~and~~

51 (B) For any new ~~zero emission vehicle~~ plug-in electric vehicle with a battery capacity  
52 of not less than four kilowatt hours but not more than ten kilowatt hours, ~~20~~ 10 percent  
53 of the cost of such vehicle or ~~\$5,000.00~~ \$2,000.00, whichever is less; and

54 (C) For any new plug-in electric vehicle with a battery capacity of more than ten  
55 kilowatt hours, 10 percent of the cost of such vehicle or \$3,000.00, whichever is less.

56 (2) A tax credit is allowed against the tax imposed under this article to a taxpayer for the  
57 purchase or lease of a new low-emission or new plug-in electric vehicle that is registered  
58 in the State of Georgia. The amount of the credit from January 1, 2018, to December 31,  
59 2019, shall be:

60 (A) For any new low-emission vehicle, 10 percent of the cost of such vehicle or  
61 \$2,500.00, whichever is less;

62 (B) For any new plug-in electric vehicle with a battery capacity of not less than four  
 63 kilowatt hours but not more than ten kilowatt hours, 10 percent of the cost of such  
 64 vehicle or \$1,000.00, whichever is less; and

65 (C) For any new plug-in electric vehicle with a battery capacity of more than ten  
 66 kilowatt hours, 10 percent of the cost of such vehicle or \$2,000.00, whichever is less.

67 ~~(2) For any new low-emission vehicle or new zero-emission vehicle purchased or leased~~  
 68 ~~on or after July 1, 2015, the amount of the credit shall be \$0.00.~~

69 (c) A tax credit is allowed against the tax imposed under this article to a taxpayer for the  
 70 conversion of a conventionally fueled vehicle to a converted vehicle that is registered in  
 71 the State of Georgia. The amount of the credit shall be equal to 10 percent of the cost of  
 72 conversion, not to exceed \$2,500.00 per converted vehicle.

73 (d) A tax credit is allowed against the tax imposed under this article to any business  
 74 enterprise for the purchase or lease of each electric vehicle charger that is located in the  
 75 State of Georgia. The amount of the credit shall be 10 percent of the cost of the charger  
 76 or \$2,500.00, whichever is less.

77 (e) The credits granted under this Code section shall be subject to the following conditions  
 78 and limitations:

79 (1) All claims for any credit provided by subsection (b) of this Code section shall be:

80 (A) Accompanied by a certification approved by the Environmental Protection  
 81 Division of the Department of Natural Resources; and

82 (B) Made only by a taxpayer who is the owner of a new clean fueled vehicle, as  
 83 evidenced by the certificate of title issued for such vehicle; provided, however, that if  
 84 a new clean fueled vehicle is leased to a taxpayer at retail, the taxpayer who is the  
 85 lessee shall be entitled to claim the credit; provided, further, that only one taxpayer  
 86 shall be eligible to claim any credit provided by subsection (b) of this Code section;

87 (2) All claims for any credit provided by subsection (c) of this Code section must be  
 88 accompanied by a certification issued by the Environmental Protection Division of the  
 89 Department of Natural Resources;

90 (3) All claims for any credit provided by subsection (d) of this Code section shall be:

91 (A) Accompanied by a certification issued by the seller where the new electric vehicle  
 92 charger was purchased or leased; and

93 (B) Made only by a taxpayer who is the ultimate purchaser or lessee of a new electric  
 94 vehicle charger at retail;

95 (4) Any credit claimed under this Code section but not used in any taxable year may be  
 96 carried forward for five years from the close of the taxable year in which a new clean  
 97 fueled vehicle was purchased or leased or a conventionally fueled vehicle was changed

98 into a converted vehicle, provided that the applicable certification required in paragraph  
 99 (1) or (2) of this subsection accompanies any such claim;

100 (5) In no event shall the amount of any tax credit provided in this Code section exceed  
 101 the taxpayer's income tax liability, and the total amount of tax credits issued under this  
 102 Code section for plug-in electric vehicles shall not exceed \$30 million annually; and

103 ~~(6) Tax credits authorized in this Code section shall be granted to a taxpayer who~~  
 104 ~~purchased or leased and placed in service in Georgia a new low-emission vehicle or zero~~  
 105 ~~emission vehicle, which also is a low-speed vehicle, but only if such low-speed vehicle~~  
 106 ~~was placed in service during the taxable year ending December 31, 2001. For purposes~~  
 107 ~~of this paragraph, the term 'low-speed vehicle' means a low-speed vehicle as defined in~~  
 108 ~~paragraph (25.1) of Code Section 40-1-1. Any claim for such credit must be~~  
 109 ~~accompanied by a manufacturer's statement of origin issued to a dealer registered in~~  
 110 ~~Georgia which certifies that the low-speed vehicle was manufactured in compliance with~~  
 111 ~~those federal motor vehicle safety standards set forth in 49 C.F.R. Section 571.500 and~~  
 112 ~~in effect on January 1, 2001, as well as any other documentation deemed necessary by~~  
 113 ~~the commissioner to establish the date that delivery was made and such vehicle was~~  
 114 ~~placed in service. A taxpayer shall only be eligible to claim such credit with respect to~~  
 115 ~~a single low-speed vehicle~~ In no event shall a taxpayer be eligible for a tax credit for the  
 116 lease of a clean fueled vehicle under this Code section if such taxpayer has received such  
 117 a tax credit for a lease of a clean fueled vehicle in the immediately preceding three tax  
 118 years.

119 (f) The state revenue commissioner shall be authorized to adopt rules and regulations to  
 120 provide for the administration of any tax credit provided by this Code section.

121 (g) The Board of Natural Resources shall be authorized to adopt rules and regulations to  
 122 provide for:

123 (1) The specific standards and requirements for low-emission vehicles, ~~zero-emission~~  
 124 plug-in electric vehicles, and converted vehicles and electric vehicle chargers which shall  
 125 be consistent with the terms of this Code section;

126 (2) An approved certification form which certifies the purchase or lease of a new clean  
 127 fueled vehicle that is qualified for a tax credit provided by this Code section;

128 (3) The certification of any converted vehicle that is qualified to claim a tax credit  
 129 provided by this Code section; and

130 (4) An approved certification form which shall be issued by the seller which certifies the  
 131 purchase or lease of a new electric vehicle charger that is qualified for a tax credit  
 132 provided by this Code section."

133

**SECTION 2.**

134 All laws and parts of laws in conflict with this Act are repealed.