

Regular Session, 2013

HOUSE BILL NO. 135

BY REPRESENTATIVE BURFORD

TAX/INCOME-CREDIT: Expands the income tax credit for alternative fuel vehicles and conversion of vehicles to alternative fuels to include leased vehicles

1 AN ACT

2 To amend and reenact R.S. 47:6035(A), (B)(2)(a) and (b), and (D), relative to income tax
3 credits; to provide relative to the tax credit for alternative fuel equipment on new
4 vehicles and the conversion of vehicles to alternative fuel usage; to authorize the
5 application of the tax credit to leased vehicles; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6035(A), (B)(2)(a) and (b), and (D) are hereby amended and
8 reenacted to read as follows:

9 §6035. Tax credit for conversion of vehicles to alternative fuel usage

10 A. The intent of this Section is to provide an incentive to persons or
11 corporations to invest in qualified clean-burning motor vehicle fuel property. Any
12 person or corporation purchasing or leasing such property as specified in this Section
13 shall be allowed a credit against income tax liability as determined pursuant to
14 Subsection C of this Section.

15 B. As used in this Section, the following words and phrases shall have the
16 meaning ascribed to them in this Subsection unless the context clearly indicates
17 otherwise:

18 * * *

19 (2) "Cost of qualified clean-burning motor vehicle fuel property" shall mean
20 any of the following:

1 (a) The retail cost paid by the owner or lessor of a motor vehicle for the
2 purchase and installation by a technician of qualified clean-burning motor vehicle
3 fuel property certified by the United States Environmental Protection Agency to
4 modify a motor vehicle which is propelled by gasoline or diesel so that the motor
5 vehicle may be propelled by an alternative fuel, provided the motor vehicle is
6 registered in this state.

7 (b) The cost to the owner of a new motor vehicle purchased at retail or the
8 cost to the lessor of a new motor vehicle that, whether purchased or leased, is
9 originally equipped to be propelled by an alternative fuel for the cost of that portion
10 of the motor vehicle which is attributable to the storage of the alternative fuel, the
11 delivery of the alternative fuel to the engine of the motor vehicle, and the exhaust of
12 gases from combustion of the alternative fuel, provided the motor vehicle is
13 registered in this state.

14 * * *

15 D. In cases where no previous credit has been claimed pursuant to
16 Subsection C of this Section for the cost of qualified clean-burning motor vehicle
17 fuel property in a new motor vehicle purchased or leased by a taxpayer with qualified
18 clean-burning motor vehicle fuel property installed by the vehicle's manufacturer and
19 the taxpayer is unable to, or elects not to determine the exact cost which is
20 attributable to such property, the taxpayer may claim a credit against individual or
21 corporate income tax for the taxable period in which the motor vehicle is purchased
22 or leased equal to ten percent of the cost of the motor vehicle or three thousand
23 dollars, whichever is less, provided the motor vehicle is registered in this state.

24 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Burford

HB No. 135

Abstract: Extends the income tax credit for the conversion of vehicles to alternative fuel usage to leased motor vehicles.

Present law provides for a refundable income tax credit equal to 50% of the "cost of qualified clean-burning motor vehicle fuel property" when such property is purchased and installed on a motor vehicle. "Qualified clean-burning motor vehicle fuel property" is defined as equipment necessary for a motor vehicle to operate on an alternative fuel but does not include equipment necessary for operation of a motor vehicle on gasoline or diesel.

Present law alternatively provides that in cases in which a motor vehicle with qualified clean-burning motor vehicle fuel property installed by the manufacturer is purchased by a taxpayer, and the taxpayer is unable to or elects not to determine the exact basis which is attributable to such property, the taxpayer may claim a credit for the lesser of \$3,000 or 10% of the cost of the motor vehicle.

Proposed law retains present law but extends applicability of the credit to motor vehicles which are leased and to the lessor of a motor vehicle who purchases and installs qualified clean-burning motor vehicle fuel property in such leased motor vehicle.

Present law defines "cost of qualified clean-burning motor vehicle fuel property" as any of the following:

- (1) The retail cost paid by the owner of a motor vehicle for the purchase and installation of qualified clean-burning motor vehicle fuel property certified by the U.S. Environmental Protection Agency to modify a motor vehicle which is propelled by gasoline or diesel so that the motor vehicle may be propelled by an alternative fuel, provided the motor vehicle is registered in this state.
- (2) The cost to the owner of a new motor vehicle purchased at retail originally equipped to be propelled by an alternative fuel for the cost of that portion of the motor vehicle attributable to the storage of the alternative fuel, the delivery of the alternative fuel to the engine of the motor vehicle, and the exhaust of gases from combustion of the alternative fuel, provided the motor vehicle is registered in this state.
- (3) The cost of property which is directly related to the delivery of an alternative fuel into the fuel tank of motor vehicles propelled by alternative fuel, provided the property is installed and located in this state and no credit has been previously claimed on the cost of such property.

Proposed law retains present law but adds to the definition of "cost of qualified clean-burning motor vehicle fuel property" costs paid by the lessor of the motor vehicle.

(Amends R.S. 47:6035(A), (B)(2)(a) and (b), and (D))