

2024 -- H 7480

LC004577

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO TAXATION -- PERSONAL INCOME TAX

Introduced By: Representatives Fogarty, Spears, Carson, Cortvriend, McGaw,
Speakman, Cotter, Hull, Boylan, and Cruz

Date Introduced: February 02, 2024

Referred To: House Finance

(by request)

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 44-30 of the General Laws entitled "Personal Income Tax" is hereby
2 amended by adding thereto the following section:

3 **44-30-28. Tax credit for alternative fuel motor vehicle conversion.**

4 (a)(1) Except as provided in subsection (b) of this section, an individual is allowed a tax
5 credit against taxes imposed by § 44-30-2 for equipment and labor costs incurred to convert a motor
6 vehicle licensed in Rhode Island to operate on alternative fuel.

7 (2) A seller of alternative fuel may not receive a credit for converting its own vehicles to
8 the alternative fuel that it sells.

9 (b) The maximum credit a taxpayer may claim in a year under this section is an amount
10 equal to fifty percent (50%) of the equipment and labor costs incurred but the credit may not exceed:

11 (1) Two thousand dollars (\$2,000) for conversion of a motor vehicle with a gross weight
12 of ten thousand (10,000) pounds or less; or

13 (2) Three thousand dollars (\$3,000) for conversion of a motor vehicle with a gross vehicle
14 weight over ten thousand pounds (10,000).

15 (c) For purposes of this section, "alternative fuel" means:

16 (1) Natural gas;

17 (2) Liquified petroleum gas;

18 (3) Liquified natural gas;

19 (4) Hydrogen;

- 1 (5) Electricity; or
2 (6) Any other fuel if at least eighty-five percent (85%) of the fuel is methanol, ethanol or
3 other alcohol, ether, or any combination of them.
4 (d)(1) The credit allowed under this section may not exceed the taxpayer's income tax
5 liability.
6 (2) There is no carryback or carryforward of the credit permitted under this section, and
7 the credit must be applied in the year the conversion is made, as determined by the taxpayer's
8 accounting method.
9 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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- 1 This act would provide a tax credit to individual taxpayers who convert their gas-powered
- 2 vehicle into a vehicle propelled by an alternative fuel source.
- 3 This act would take effect upon passage.

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