

2010 -- S 2702

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

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A N A C T

RELATING TO TAXATION – ALTERNATIVE FUEL VEHICLE AND FILLING STATION
TAX CREDIT

Introduced By: Senators Felag, Sosnowski, DiPalma, Lanzi, and Lynch

Date Introduced: March 18, 2010

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 68

4 ALTERNATIVE FUEL VEHICLE AND FILLING STATION TAX CREDIT

5 **44-68-1. Definitions. [Effective until January 1, 2015].** – As used in this chapter:

6 (1) “Alternative fuel” and “alternative fuel vehicle” are defined pursuant to the Energy
7 Policy Act of 1998 (P.L. 102-486, Sec 301 (42 U.S.C. section 13211)). The definition of
8 alternative fuel shall also include bio-diesel and ethanol fuel. As defined by this chapter, bio-
9 diesel can be produced from feedstock which includes:

10 (i) Any virgin (first use) vegetable oil;

11 (ii) Yellow grease;

12 (iii) Waste (second use) vegetable oils; and

13 (iv) Animal fats and tallows.

14 Bio-diesel and ethanol fuel infrastructures under the 1998 Energy Policy Act will allow
15 the State of Rhode Island energy office to issue grants based on the availability of funding to any
16 individual or entity for the development of bio-diesel production facilities in Rhode Island.

17 (2) “Incremental costs” means the increase to the sale price of an alternative fuel vehicle
18 above the sale price of a comparable motor vehicle similar in all other respects but for the

1 equipment necessary to render it an alternative fuel vehicle, which increased sale price is
2 attributable to the vehicle's being equipped to render it an alternative fuel vehicle.

3 **44-68-2. Tax credits for businesses. [Effective until January 1, 2015].** – (a) There
4 shall be allowed as a credit against the tax liability imposed against a taxpayer pursuant to chapter
5 11, 13, or 30 of this title, with respect to income years of the taxpayer commencing on or after
6 January 1, 2010, and prior to January 1, 2015, an amount equal to fifty percent (50%) of the
7 capital, labor, and equipment costs incurred by the taxpayer directly for the construction of any
8 filling station or improvements to any existing filling station in order to provide alternative fuel or
9 for the construction of any recharging station or improvements to any existing recharging station
10 in order to provide for the recharging of electric vehicles.

11 (b) There shall be allowed as a credit against the tax imposed on a taxpayer pursuant to
12 chapter 11, 13, or 30 of this title, with respect to income years of the taxpayer commencing on or
13 after January 1, 2010, and prior to January 1, 2015, an amount equal to fifty percent (50%) of the
14 incremental costs incurred by the taxpayer for purchase of alternative fuel motor vehicles or the
15 capital, labor and equipment costs of the conversion of motor vehicles so that they can use
16 alternative fuels.

17 (c) The amount of the credit allowed by this chapter may be transferred and/or assigned
18 by one taxpayer to another; provided, that the transferee is a parent, subsidiary, or affiliate of, or
19 is subject to common ownership, management and control with, the transferor.

20 (d) In the case where the credit allowed by this chapter exceeds the amount of tax liability
21 imposed against a taxpayer pursuant to chapters 11,13, or 30 of this title, and to the extent the
22 taxpayer has not transferred or assigned its credits pursuant to subsection (c) of this section, the
23 taxpayer may carry forward the unused credit or any unused portions of the credit and apply the
24 credit to its tax liability for any one or more of the succeeding five (5) years.

25 **44-68-3. Repeal.** – The provisions of this chapter shall expire on and are repealed on
26 January 1, 2015.

27 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO TAXATION – ALTERNATIVE FUEL VEHICLE AND FILLING STATION
TAX CREDIT

1 This act would create a tax credit for costs incurred for the construction of any filling
2 station or improvements to any existing fueling station in order to provide alternative fuel or
3 construction or improvements to any recharging stations.

4 This act would take effect upon passage.

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