

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 256** SLS 13RS 672
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 31, 2013	8:13 AM	Author: CLAITOR
Dept./Agy.: Revenue		Analyst: Deborah Vivien
Subject: Alternative Fuel Vehicle Tax Credit		

TAX/TAXATION EN NO IMPACT GF RV See Note Page 1 of 1
 Provides for certain tax credits regarding vehicle usage of alternative fuels. (gov sig)

Current law provides a refundable income tax credit of 50% of the cost and installation of conversion of property which will subsequently allow alternative fuel use, whether in a vehicle or a delivery property, such as a service station. Without itemizing specific costs, the filer may instead choose a credit of 10% of the cost of a new vehicle that operates on alternative fuel, up to \$3,000 per vehicle. It is not necessary that the vehicle be purchased in Louisiana. An emergency rule effective April 30, 2012, applied the credit to all flex-fuel vehicles. However, that rule was rescinded on July 14, 2012. A subsequent rule issued in December 2012 applies the credit only to vehicles with fuel storage and delivery systems that can independently run on two types of fuel.

Proposed law retains current law but explicitly disallows a gasoline or diesel vehicle with only a single fuel storage and delivery system. Effective upon governor's signature.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

When the alternative fuel vehicle tax credit rule was rescinded on July 14, 2012, Revenue Department reportedly stopped issuing credits for E85 flex-fuel vehicles, which could only run independently on one type of fuel. The Department codified that practice in administrative rules in December 2012. This bill codifies that practice in statute and has no impact on the SGF baseline, which is based on current practice.

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|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S} | |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | |

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