

2021 Regular Session

SENATE BILL NO. 8

BY SENATOR PEACOCK

TAX/TAXATION. Accelerates the sunset date for the tax credit for the conversion of alternative fuel vehicles. (7/1/21)

1 AN ACT

2 To amend and reenact R.S. 47:6035, relative to the tax credit for purchases of qualified
3 clean-burning motor vehicle fuel property; to provide relative to eligibility; to
4 accelerate the sunset date of the credit for vehicle purchases; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6035 is hereby amended and reenacted to read as follows:

8 §6035. Tax credit for ~~conversion of vehicles to alternative fuel usage~~ investments
9 in qualified clean-burning motor vehicle fuel property

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 such ~~and installing~~ qualified clean-burning
13 motor vehicle fuel property as specified in this Section shall be allowed a
14 nonrefundable credit against income tax liability as determined pursuant to
15 Subsection C of this Section.

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

1 otherwise:

2 (1) "Alternative fuel" means **electricity**, natural gas, liquified petroleum gas,
3 and any nonethanol based advanced biofuel. ~~"Alternative fuel" shall also mean~~
4 ~~electricity if the vehicle meets all of the following criteria:~~

5 ~~(a) Has at least four wheels.~~

6 ~~(b) Is manufactured primarily for use on public streets, roads, and highways~~
7 ~~and is able to attain a maximum speed of at least fifty-five miles per hour.~~

8 ~~(c) Is propelled to a significant extent as determined by rules adopted by the~~
9 ~~Department of Revenue in accordance with the Administrative Procedure Act, by an~~
10 ~~electric motor which draws electricity from a battery which has a capacity of not less~~
11 ~~than four kilowatt hours and is capable of being recharged from an external source~~
12 ~~of electricity.~~

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

15 ~~(a) The retail cost paid by the owner of a motor vehicle for the purchase and~~
16 ~~installation by a technician of qualified clean-burning motor vehicle fuel property~~
17 ~~certified by the United States Environmental Protection Agency to modify a motor~~
18 ~~vehicle which is propelled by gasoline or diesel so that the motor vehicle may be~~
19 ~~propelled by an alternative fuel, provided the motor vehicle is registered in this state~~
20 ~~and, in the case of a commercial vehicle, is registered and primarily used in this state~~
21 ~~for four years after the conversion.~~

22 ~~(b) The cost to the owner of a new motor vehicle purchased at retail~~
23 ~~originally equipped to be propelled by an alternative fuel, provided the motor vehicle~~
24 ~~is registered in this state.~~

25 ~~(c) The **the** cost of property that is directly related to the delivery of an~~
26 ~~alternative fuel into the fuel tank of motor vehicles propelled by alternative fuel,~~
27 ~~including compression equipment, storage tanks, and dispensing units for alternative~~
28 ~~fuel at the point where the fuel is delivered, provided the property is installed and~~
29 ~~located in this state and no credit has been previously claimed on the cost of such~~

1 property. The cost of property that is directly related to the delivery of an alternative
2 fuel into the fuel tank of motor vehicles propelled by alternative fuel shall not
3 include costs associated with exploration and development activities necessary for
4 severing natural resources from the soil or ground or costs associated with fueling
5 station infrastructure that is not directly related to the delivery of an alternative fuel
6 into the fuel tank of motor vehicles.

7 ~~(3) "Qualified clean-burning motor vehicle fuel property" shall mean~~
8 ~~equipment necessary for a motor vehicle to operate on an alternative fuel and shall~~
9 ~~not include equipment necessary for operation of a motor vehicle on gasoline or~~
10 ~~diesel.~~

11 C.~~(1)~~ The credit provided for in this Section shall be allowed against
12 individual or corporate income tax for the taxable period in which the qualified
13 clean-burning motor vehicle fuel property, as defined in Subparagraphs (B)(2)(a) and
14 ~~(c) of this Subsection~~, is purchased and installed and shall be equal to thirty percent
15 of the cost of the qualified clean-burning motor vehicle fuel property.

16 ~~(2) Nothing in this Section shall be construed to authorize a tax credit for the~~
17 ~~costs of a purchase of, or conversion of a vehicle to, a flexible fuel vehicle that is~~
18 ~~designed to run on an alternative fuel and either petroleum gasoline or petroleum~~
19 ~~diesel if the vehicle has only a single fuel storage and delivery system and retains the~~
20 ~~capability to be propelled by petroleum gasoline or petroleum diesel.~~

21 D. ~~In cases of a new motor vehicle purchased by a taxpayer with qualified~~
22 ~~clean-burning motor vehicle fuel property, as defined in Subparagraph (B)(2)(b) of~~
23 ~~this Subsection, if installed by the vehicle's manufacturer the taxpayer may claim a~~
24 ~~credit against individual or corporate income tax for the taxable period in which the~~
25 ~~new motor vehicle is purchased equal to ten percent of the cost of the motor vehicle~~
26 ~~or two thousand five hundred dollars, whichever is less, provided the motor vehicle~~
27 ~~is registered in this state.~~

28 E.~~(1)~~ For purchases of qualified clean-burning motor vehicle fuel property
29 made before January 1, 2018, if the tax credit allowed pursuant to the provisions of

1 ~~this Section exceeds the amount of income taxes due or if the taxpayer owes no state~~
2 ~~income taxes, any excess of the tax credit over the income tax liability against which~~
3 ~~the credit can be applied shall constitute an overpayment, as defined in R.S.~~
4 ~~47:1621(A), and the secretary shall make a refund of the overpayment from the~~
5 ~~current collections of the taxes imposed by Chapter 1 of Subtitle II of this Title, as~~
6 ~~amended. The right to a refund of any overpayment shall not be subject to the~~
7 ~~requirements of R.S. 47:1621(B).~~

8 ~~(2) For purchases of qualified clean-burning motor vehicle fuel property~~
9 ~~made on or after January 1, 2018, the tax credit allowed pursuant to the provisions~~
10 ~~of this Section shall be nonrefundable.~~

11 ~~F. A husband and wife who file separate returns for a taxable year in which~~
12 ~~they could have filed a joint return may each claim only one-half of the tax credit~~
13 ~~that would have been allowed for a joint return.~~

14 ~~G. The secretary of the Department of Revenue in consultation with the~~
15 ~~secretary of the Department of Natural Resources shall promulgate rules and~~
16 ~~regulations in accordance with the Administrative Procedure Act as are necessary to~~
17 ~~implement the provisions of this Section.~~

18 ~~H. Commencing no later than January 31, 2016, the House Committee on~~
19 ~~Ways and Means and the Senate Committee on Revenue and Fiscal Affairs shall~~
20 ~~review the credit authorized pursuant to the provisions of this Section to determine~~
21 ~~if the economic benefit provided by such credit outweighs the loss of revenue~~
22 ~~realized by the state as a result of awarding such credit. The House and Senate~~
23 ~~committees shall make a specific recommendation no later than March 1, 2017, to~~
24 ~~either continue the credit or to terminate the credit.~~

25 ~~I.~~ E. The credit provided for pursuant to the provisions of this Section shall
26 terminate and shall have no effect beginning January 1, 2022.

27 Section 2. This Act shall become effective July 1, 2021.

