

House Bill 261

By: Representatives Royal of the 164<sup>th</sup>, Buck of the 135<sup>th</sup>, Hanner of the 159<sup>th</sup>, Jamieson of the 22<sup>nd</sup>, Bell of the 25<sup>th</sup> and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated,  
2 relating to the imposition, rate, and computation of income tax, so as to change certain  
3 provisions regarding income tax credits for low-emission vehicles; to provide for definitions;  
4 to provide for income tax credits for the purchase or lease of zero emission vehicles; to  
5 provide for the terms, conditions, limitations, and procedures relating to such credits; to  
6 provide for powers, duties, and authority of the state revenue commissioner with respect to  
7 the foregoing; to provide an effective date; to provide for applicability; to repeal conflicting  
8 laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the  
12 imposition, rate, and computation of income tax, is amended by striking Code Section  
13 48-7-40.16, relating to income tax credits for low-emission vehicles, and inserting in its place  
14 a new Code Section 48-7-40.16 to read as follows:

15 "48-7-40.16.

16 (a) As used in this Code section, the term:

17 (1) 'Alternative fuel' means methanol, denatured ethanol, and other alcohols; mixtures  
18 containing 85 percent or more by volume of methanol, denatured ethanol, and other  
19 alcohols with gasoline or other fuels; natural gas; liquefied petroleum gas; hydrogen; coal  
20 derived liquid fuels; fuels other than alcohol derived from biological materials; and  
21 electricity, including electricity from solar energy.

22 (2) 'Clean fueled vehicle' means a motor vehicle which has been certified by the  
23 Environmental Protection Agency to meet, for any model year, a set of emission  
24 standards that classifies it as a low-emission vehicle or zero emission vehicle.

25 ~~(2)~~(3) 'Conventionally fueled vehicle' means a motor vehicle which is fueled solely by  
26 a petroleum based fuel such as gasoline or diesel.

1 ~~(3)~~(4) 'Converted vehicle' means a motor vehicle that is retrofitted so that it is fueled  
 2 solely by an alternative fuel and which meets the emission standards set forth for that  
 3 class of low-emission vehicles as defined under rules and regulations of the Board of  
 4 Natural Resources applicable to clean fueled ~~fleets~~ vehicles, as amended, when operating  
 5 on such alternative fuel, or which meets the emission standards set forth for zero emission  
 6 vehicles as defined under rules and regulations of the Board of Natural Resources.

7 ~~(4)~~ 'Covered area' means a geographic area designated by the United States  
 8 Environmental Protection Agency in the Code of Federal Regulations as an area which  
 9 has not attained or maintained the National Ambient Air Quality Standard for ozone in  
 10 accordance with the federal Clean Air Act, as amended, or any county adjacent to a  
 11 covered area.

12 ~~(5)~~ 'Fleet operator' means a person who operates a fleet of ten or more motor vehicles  
 13 and that fleet is operated in a single covered area, even if the fleet motor vehicles are  
 14 garaged outside a covered area.

15 (5) 'Low-emission vehicle' means a motor vehicle which is fueled solely by an  
 16 alternative fuel and which meets emission standards as defined under rules and  
 17 regulations of the Board of Natural Resources applicable to clean fueled ~~fleets~~ vehicles  
 18 classified as low-emission vehicles, as amended, when operating on such alternative fuel.

19 (6) 'Motor vehicle' means any self-propelled vehicle designed for transporting persons  
 20 or property on a street or highway that is registered by the Motor Vehicle Division of the  
 21 Department of Revenue.

22 (7) 'Zero emission vehicle' means a motor vehicle which has zero tailpipe and evaporative  
 23 emissions as defined under rules and regulations of the Board of Natural Resources  
 24 applicable to clean fueled vehicles, as amended, and shall include an electric vehicle  
 25 whose drive train is powered solely by electricity, provided said electricity is not  
 26 provided by any on-board combustion device.

27 (b) A tax credit is allowed against the tax imposed under this article to a taxpayer for the  
 28 purchase or lease of a new low-emission vehicle or zero emission vehicle that is registered  
 29 ~~in a covered area~~ the State of Georgia. The amount of the credit shall be \$2,500.00 per new  
 30 low-emission vehicle and \$5,000.00 per new zero emission vehicle.

31 (c) A tax credit is allowed against the tax imposed under this article to a taxpayer for the  
 32 conversion of a conventionally fueled vehicle to a converted vehicle that is registered in  
 33 ~~a covered area~~ the State of Georgia. The amount of the credit shall be equal to the cost of  
 34 conversion, not to exceed \$2,500.00 per converted vehicle.

35 (d) A tax credit is allowed against the tax imposed under this article to any business  
 36 enterprise for the purchase or lease of each electric vehicle charger that is located in a  
 37 ~~covered area~~ the State of Georgia. The amount of the credit shall be \$2,500.00 per charger.

1 (e) The credits granted under this Code section shall be subject to the following conditions  
2 and limitations:

3 (1) All claims for any credit provided by subsection (b) of this Code section shall be:

4 (A) Accompanied by a certification ~~issued by the automobile dealership where the new~~  
5 ~~low-emission vehicle was purchased or leased~~ approved by the Environmental  
6 Protection Division of the Department of Natural Resources; and

7 (B) Made only by a taxpayer who is the ~~ultimate purchaser or lessee~~ owner of a new  
8 ~~low-emission~~ clean fueled vehicle, at retail as evidenced by the certificate of title issued  
9 for such vehicle; provided, however, that if a new clean fueled vehicle is leased to a  
10 taxpayer at retail, the taxpayer who is the lessee shall be entitled to claim the credit;  
11 provided, further, that only one taxpayer shall be eligible to claim any credit provided  
12 by subsection (b) of this Code section;

13 ~~(2) In order to qualify for a tax credit in a particular calendar year for the lease of a new~~  
14 ~~low-emission vehicle under subsection (b) of this Code section, the lease must be in~~  
15 ~~effect prior to or on the last day of the calendar year in which the credit is claimed;~~

16 ~~(3)~~(2) All claims for any credit provided by subsection (c) of this Code section must be  
17 accompanied by a certification issued by the Environmental Protection Division of the  
18 Department of Natural Resources;

19 ~~(4) Motor vehicles subject to the requirements imposed upon fleet operators by the~~  
20 ~~federal Clean Air Act, 42 U.S.C. Section 7401, et seq., as amended, and applicable~~  
21 ~~federal regulations are not eligible for any tax credit under this Code section;~~

22 ~~(5)~~(3) All claims for any credit provided by subsection (d) of this Code section shall be:

23 (A) Accompanied by a certification issued by the seller where the new electric vehicle  
24 charger was purchased or leased; and

25 (B) Made only by a taxpayer who is the ultimate purchaser or lessee of a new electric  
26 vehicle charger at retail;

27 ~~(6)~~(4) Any credit claimed under this Code section but not used in any taxable year may  
28 be carried forward for five years from the close of the taxable year in which a new  
29 ~~low-emission~~ clean fueled vehicle was purchased or leased or a conventionally fueled  
30 vehicle was changed into a converted vehicle, provided that the applicable certification  
31 required in paragraph (1) or ~~(3)~~(2) of this subsection accompanies any such claim; and

32 ~~(7)~~(5) In no event shall the amount of any tax credit provided in this Code section exceed  
33 the taxpayer's income tax liability.

34 (f) The state revenue commissioner shall be authorized to adopt rules and regulations to  
35 provide for the administration of any tax credit provided by this Code section.

36 (g) The Board of Natural Resources shall be authorized to adopt rules and regulations to  
37 provide for:

- 1 (1) The specific standards and requirements for low-emission vehicles, zero emission  
2 vehicles, and converted vehicles and electric vehicle chargers which shall be consistent  
3 with the terms of this Code section;
- 4 (2) An approved certification form ~~which shall be issued by an automobile dealership~~  
5 which certifies the purchase or lease of a new ~~low-emission~~ clean fueled vehicle that is  
6 qualified for a tax credit provided by this Code section;
- 7 (3) The certification of any converted vehicle that is qualified to claim a tax credit  
8 provided by this Code section; and
- 9 (4) An approved certification form which shall be issued by the seller which certifies the  
10 purchase or lease of a new electric vehicle charger that is qualified for a tax credit  
11 provided by this Code section."

12 **SECTION 2.**

13 This Act shall become effective upon its approval by the Governor or upon its becoming law  
14 without such approval and shall be applicable to all taxable years beginning on or after  
15 January 1, 2001.

16 **SECTION 3.**

17 All laws and parts of laws in conflict with this Act are repealed.