

House Bill 21

By: Representatives Hill of the 21st, Scheid of the 22nd, Chambers of the 81st, Sheldon of the 105th, Gardner of the 57th, 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 provide for an
3 income tax credit for the purchase or lease of a new hybrid vehicle; to provide for conditions
4 and limitations; to provide for powers, duties, and authority of the state revenue
5 commissioner with respect to the foregoing; to provide an effective date; to provide for
6 applicability; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the
10 imposition, rate, and computation of income tax, is amended by adding a new Code section
11 immediately following Code Section 48-7-40.25, to be designated Code Section 48-7-40.26,
12 to read as follows:

13 "48-7-40.26.

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

15 (1) 'Hybrid vehicle' means a motor vehicle whose drive train is powered by electricity
16 and by any on-board combustion device.

17 (2) 'Motor vehicle' means any self-propelled vehicle designed for transporting persons
18 or property on a street or highway that is registered by the Department of Motor Vehicle
19 Safety, except vehicles that are defined as 'low-speed vehicles' in paragraph (25.1) of
20 Code Section 40-1-1.

21 (b) A tax credit is allowed against the tax imposed under this article to a taxpayer for the
22 purchase or lease of a new hybrid vehicle that is registered in the State of Georgia. The
23 amount of the credit shall be 20 percent of the cost of such vehicle or \$5,000.00, whichever
24 is less.

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

1 (1) Accompanied by a certification approved by the Environmental Protection Division
2 of the Department of Natural Resources; and

3 (2) Made only by a taxpayer who is the owner of a new hybrid vehicle, as evidenced by
4 the certificate of title issued for such vehicle; provided, however, that if a new hybrid
5 vehicle is leased to a taxpayer at retail, the taxpayer who is the lessee shall be entitled to
6 claim the credit; provided, further, that only one taxpayer shall be eligible to claim any
7 credit provided by subsection (b) of this Code section.

8 (d) Any credit claimed under this Code section but not used in any taxable year may be
9 carried forward for five years from the close of the taxable year in which a new hybrid
10 vehicle was purchased or leased, provided that the certification required in subsection (c)
11 of this Code section accompanies any such claim.

12 (e) In no event shall the amount of any tax credit provided in this Code section exceed the
13 taxpayer's income tax liability.

14 (f) Tax credits authorized in this Code section shall be granted to a taxpayer who
15 purchased or leased and placed in service in Georgia a new hybrid vehicle on or after
16 January 1, 2005. Any claim for such credit must be accompanied by a manufacturer's
17 statement of origin issued to a dealer registered in Georgia which certifies that the hybrid
18 vehicle was manufactured in compliance with federal motor vehicle safety standards, as
19 well as any other documentation deemed necessary by the commissioner to establish the
20 date that delivery was made and such vehicle was placed in service. A taxpayer shall only
21 be eligible to claim such credit with respect to a single hybrid vehicle.

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

24 (h) The Board of Natural Resources shall be authorized to adopt rules and regulations to
25 provide for:

26 (1) The specific standards and requirements for hybrid vehicles which shall be consistent
27 with the terms of this Code section; and

28 (2) An approved certification form which certifies the purchase or lease of a new hybrid
29 vehicle that is qualified for a tax credit provided by this Code section."

30 SECTION 2.

31 This Act shall become effective upon its approval by the Governor or upon its becoming law
32 without such approval, and shall be applicable to all taxable years beginning on or after
33 January 1, 2005.

1 **SECTION 3.**

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