House Bill 348

By: Representatives Parsons of the 44th, Sims of the 169th, Abrams of the 89th, and Martin of the 49th

A BILL TO BE ENTITLED

AN ACT

To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the imposition, rate, computation, and exemptions regarding income tax, so as to provide a tax credit for purchasers of alternative fuel vehicles; to provide for definitions; to provide for procedures, conditions, and limitations; to provide for a cap on the amount of the tax credits; to provide for an effective date and applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the imposition, rate, computation, and exemptions regarding income tax, is amended by adding new Code sections to read as follows:

″48-7-29.18.

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

(1) 'Alternative fuel' means electricity, liquid petroleum gas, natural gas, or hydrogen fuel. The term does not include hybrid electric drives unless the vehicle has a gross weight equal to or greater than 6,001 pounds and less than 26,000 pounds.

(2) 'Alternative fuel heavy-duty vehicle' means a new commercial vehicle, with a gross vehicle weight ratio equal to or more than 26,001 pounds, that is primarily fueled by an alternative fuel. As used in this paragraph, 'primarily fueled by an alternative fuel' means a vehicle that is produced by an original equipment manufacturer and operates on 90 percent or more alternative fuel and on 10 percent or less gasoline or diesel fuel. In order to qualify for a tax credit under this Code section, the vehicle shall be registered in Georgia, accumulate at least 75 percent of its mileage in Georgia, and be certified by the Department of Natural Resources.

(3) 'Alternative fuel medium-duty vehicle' means a new commercial vehicle, with a gross vehicle weight ratio equal to 6,001 pounds or more and less than 26,001 pounds, that is

solely fueled by an alternative fuel and that is produced by an original equipment manufacturer. In order to qualify for a tax credit under this Code section, the vehicle shall be registered in Georgia, accumulate at least 75 percent of its mileage in Georgia, and be certified by the Department of Natural Resources.

(4) 'Light-duty commercial vehicle' means a vehicle, with a gross vehicle weight ratio less than 6,001 pounds, that is solely fueled by an alternative fuel and used as a light-duty commercial vehicle in this state. In order to qualify for a tax credit under this Code section, a light-duty commercial vehicle shall be a new vehicle that is registered and licensed to operate in Georgia, that accumulates at least 75 percent of its mileage in Georgia, and is certified by the Department of Natural Resources and that is replacing a gasoline or diesel powered light-duty commercial vehicle that is solely powered by an alternative fuel and that is produced by an original equipment manufacturer.

(b)(1) A taxpayer shall be allowed a credit against tax imposed under this article for the amount expended on or after July 1, 2014, and before June 30, 2018, to purchase an alternative fuel heavy-duty vehicle not to exceed $20,000.00.

(2) A taxpayer shall be allowed a credit against tax imposed under this article for the amount expended on or after July 1, 2014, and before June 30, 2018, to purchase an alternative fuel medium-duty vehicle not to exceed $12,000.00.

(3) A taxpayer shall be allowed a credit against tax imposed under this article for the amount expended on or after July 1, 2014, and before June 30, 2018, to purchase a light-duty commercial vehicle not to exceed $2,500.00.

(c)(1) The tax credits allowed under this Code section shall be limited to $10 million in each fiscal year beginning with fiscal year 2014 and ending with fiscal year 2018.

(2) In each year that this tax credit is allowed, 70 percent shall be allocated to the alternative fuel heavy-duty vehicle purchasers class, and 30 percent shall be allocated to the alternative fuel medium-duty vehicle or light-duty commercial vehicle purchasers class. In the event that credits provided for purchases of the alternative fuel heavy-duty vehicle class in a taxable year are calculated to be less than 70 percent of the funding provided for such credits, the remaining funds shall be made available for tax credits related to the purchase of the alternative fuel medium-duty vehicle or light-duty commercial vehicle class. This availability of funds shall also apply if the 30 percent credit was not fully used for the alternative fuel medium-duty vehicle or light-duty commercial vehicle class purchases, and in such case, the remaining funds shall then be made available for alternative fuel heavy-duty vehicle class purchases.

(d) In no event shall the total amount of any tax credit provided under this Code section for a taxable year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the taxpayer against succeeding years' tax liabilities. No such credit shall be allowed the taxpayer against prior years' tax liabilities.

(e) The commissioner shall be authorized to promulgate any rules and regulations necessary to implement and administer the provisions of this Code section.

48-7-29.19.

(a) A taxpayer seeking to claim a tax credit under the provisions of Code Section 48-7-29.18 shall submit an application to the commissioner for tentative approval of such tax credit along with the certification from the Department of Natural Resources. Before any such application for such tax credit is filed, the applicant shall have completed the purchase and registration in this state of the qualified vehicle or vehicles. The commissioner shall create and make available the forms to be used for such applications. Within 60 days of receipt of a properly completed application, the commissioner shall preapprove the application if a sufficient amount of available tax credits remain.

(b) The commissioner shall approve the tax credits based on the order in which properly completed applications were submitted. In the event that two or more applications were submitted on the same day and the amount of funds available will not be sufficient to fully fund the tax credits requested, the commissioner shall prorate the available funds between or among the applicants.

(c) In no event shall the aggregate amount of the tax credits approved by the commissioner for all taxpayers under the provisions of this Code section exceed the amounts specified in subsection (c) of Code Section 48-7-29.18. In the event a taxpayer filed a properly completed application along with the certification from the Department of Natural Resources for such credits but is not allowed all or part of the credit amounts to which such taxpayer would be authorized to receive because the amounts available have been exhausted, the commissioner shall add such taxpayer to a priority waiting list of applications, prioritized by the date of the taxpayer's filed application. With respect to the allocation of tax credits in subsequent years, taxpayers on the priority waiting list shall have priority over other taxpayers who apply for such tax credit in the subsequent years."

SECTION 2.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval and shall be applicable to all taxable years beginning on or after January 1, 2014.

SECTION 3.

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