

House Bill 421

By: Representatives Epps of the 144th, LaRiccia of the 169th, and Strickland of the 111th

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 imposition, rate, and computation of income taxes and exemptions, so as to allow
3 for a tax credit for the installation of certain clean-burning fuel infrastructure; to extend the
4 sunset date for income tax credits for purchasers of certain alternative fuel vehicles; to
5 provide for related matters; to provide for an effective date; to repeal conflicting laws; and
6 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
10 imposition, rate, and computation of income taxes and exemptions, is amended in Code
11 Section 48-7-40.16, relating to income tax credits for low-emission vehicles, by revising
12 subsections (a), (d), (e), and (g) as follows:

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

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

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

22 (3) 'Conventionally fueled vehicle' means a motor vehicle which is fueled solely by a
23 petroleum based fuel such as gasoline or diesel.

24 (4) 'Converted vehicle' means a motor vehicle that is retrofitted so that it is fueled solely
25 by an alternative fuel and which meets the emission standards set forth for that class of
26 low-emission vehicles as defined under rules and regulations of the Board of Natural

27 Resources applicable to clean fueled vehicles, as amended, when operating on such
 28 alternative fuel, or which meets the emission standards set forth for zero emission
 29 vehicles as defined under rules and regulations of the Board of Natural Resources.

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

34 (6) 'Motor vehicle' means any self-propelled vehicle designed for transporting persons
 35 or property on a street or highway that is registered by the ~~Department of Revenue~~
 36 department, except vehicles that are defined as 'low-speed vehicles' in paragraph (25.1)
 37 of Code Section 40-1-1.

38 (7) 'Qualified clean-burning motor vehicle fuel property' means property, not including
 39 real property, that is:

40 (A) Directly related to the delivery, for commercial purposes or for a fee, of
 41 compressed natural gas, liquefied natural gas, liquefied petroleum gas, propane, or
 42 hydrogen into the fuel tank of a motor vehicle propelled by such fuel, including
 43 compression equipment and storage tanks for such fuel located at the point where such
 44 fuel is so delivered; or

45 (B) An electric charging system that tracks consumption and is capable of providing
 46 electricity from a nonvehicle source to charge the battery of one or more electric motor
 47 vehicles which is located on commercial, retail, or industrial real property, has
 48 restricted access, or is in the common areas of a multiunit housing complex that is not
 49 available to the general public.

50 ~~(7)~~(8) 'Zero emission vehicle' means a motor vehicle which has zero tailpipe and
 51 evaporative emissions as defined under rules and regulations of the Board of Natural
 52 Resources applicable to clean fueled vehicles, as amended, and shall include an electric
 53 vehicle whose drive train is powered solely by electricity, provided said electricity is not
 54 provided by any on-board combustion device."

55 "(d)(1) A tax credit is allowed against the tax imposed under this article to any ~~business~~
 56 ~~enterprise~~ individual or corporation for the purchase or lease of ~~each electric vehicle~~
 57 ~~charger that is located~~ any qualified clean-burning motor vehicle fuel property installed
 58 by such individual or corporation in the State of Georgia. The amount of the credit shall
 59 be ~~10~~:

60 (A) Fifty percent of the cost of the ~~charger~~ qualified clean-burning motor vehicle fuel
 61 property or \$2,500.00 \$5,000.00, whichever is less, from July 1, 2017, until
 62 June 30, 2020; and

63 (B) Twenty-five percent of the cost of the qualified clean-burning motor vehicle fuel
 64 property or \$7,500.00, whichever is less, from July 1, 2020, until June 30, 2022.

65 (2) The total amount of income tax credits allowed under this subsection shall not exceed
 66 \$2 million in any given year and the total amount of income tax credits allowed to a
 67 single taxpayer shall not exceed \$150,000.00.

68 (3) Spouses who file separate returns for a taxable year in which they could have filed
 69 a joint return may each claim only one-half of the tax credit that would have been allowed
 70 for a joint return under this subsection.

71 (4)(A) In order to receive a tax credit under this subsection, the taxpayer shall
 72 electronically notify the department of the total amount of credit to be claimed before
 73 purchasing or leasing a qualified clean-burning motor vehicle fuel property. The
 74 commissioner shall preapprove or deny the requested amount within 15 days after
 75 receiving such notification. The taxpayer shall then certify with the Environmental
 76 Protection Division of the Department of Natural Resources the installation of such
 77 qualified clean-burning motor vehicle fuel property within 60 days after receiving
 78 notice from the department that the requested amount was preapproved.

79 (B) The Environmental Protection Division of the Department of Natural Resources
 80 shall report to the department all taxpayers which have certified the installation of a
 81 qualified clean-burning motor vehicle fuel property and the date when each certification
 82 was given.

83 (C) The department shall establish a web based approval process to implement this
 84 paragraph.

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

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

88 (A) Accompanied by a certification approved by the Environmental Protection
 89 Division of the Department of Natural Resources; and

90 (B) Made only by a taxpayer who is the owner of a new clean fueled vehicle, as
 91 evidenced by the certificate of title issued for such vehicle; provided, however, that if
 92 a new clean fueled vehicle is leased to a taxpayer at retail, the taxpayer who is the
 93 lessee shall be entitled to claim the credit; provided, further, that only one taxpayer
 94 shall be eligible to claim any credit provided by subsection (b) of this Code section;

95 (2) All claims for any credit provided by subsection (c) or (d) of this Code section must
 96 be accompanied by a certification issued by the Environmental Protection Division of the
 97 Department of Natural Resources;

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

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

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

103 ~~(4)~~ Any credit claimed under subsection (b) or (c) of this Code section but not used in
 104 any taxable year may be carried forward for five years from the close of the taxable year
 105 in which a new clean fueled vehicle was purchased or leased or a conventionally fueled
 106 vehicle was changed into a converted vehicle, provided that the applicable certification
 107 required in paragraph (1) or (2) of this subsection accompanies any such claim;

108 (5) In no event shall the amount of any tax credit provided in this Code section exceed
 109 the taxpayer's income tax liability; and

110 (6) Tax credits authorized in subsection (b) of this Code section shall be granted to a
 111 taxpayer who purchased or leased and placed in service in Georgia a new low-emission
 112 vehicle or zero emission vehicle, which also is a low-speed vehicle, but only if such
 113 low-speed vehicle was placed in service during the taxable year ending
 114 December 31, 2001. For purposes of this paragraph, the term 'low-speed vehicle' means
 115 a low-speed vehicle as defined in paragraph (25.1) of Code Section 40-1-1. Any claim
 116 for such credit must be accompanied by a manufacturer's statement of origin issued to a
 117 dealer registered in Georgia which certifies that the low-speed vehicle was manufactured
 118 in compliance with those federal motor vehicle safety standards set forth in 49 C.F.R.
 119 Section 571.500 and in effect on January 1, 2001, as well as any other documentation
 120 deemed necessary by the commissioner to establish the date that delivery was made and
 121 such vehicle was placed in service. A taxpayer shall only be eligible to claim such credit
 122 with respect to a single low-speed vehicle."

123 "(g) The Board of Natural Resources shall be authorized to adopt rules and regulations to
 124 provide for:

125 (1) The specific standards and requirements for low-emission vehicles, zero emission
 126 vehicles, and converted vehicles ~~and electric vehicle chargers~~ which shall be consistent
 127 with the terms of this Code section;

128 (2) An approved certification form which certifies the purchase or lease of a new clean
 129 fueled vehicle that is qualified for a tax credit provided by this Code section; and

130 (3) The certification of any converted vehicle that is qualified to claim a tax credit
 131 provided by this Code section; ~~and~~

132 ~~(4) An approved certification form which shall be issued by the seller which certifies the~~
 133 ~~purchase or lease of a new electric vehicle charger that is qualified for a tax credit~~
 134 ~~provided by this Code section."~~

135 **SECTION 2.**

136 Said article is further amended in Code Section 48-7-29.18, relating to income tax credits for
137 purchasers of certain alternative fuel vehicles, by revising subsections (b), (c), and (d) as
138 follows:

139 "(b)(1) A taxpayer shall be allowed a credit against tax imposed under this article for the
140 amount expended on or after July 1, 2015, and before ~~June 30, 2017~~ June 1, 2019, to
141 purchase an alternative fuel heavy-duty vehicle not to exceed \$20,000.00 per vehicle.

142 (2) A taxpayer shall be allowed a credit against tax imposed under this article for the
143 amount expended on or after July 1, 2015, and before ~~June 30, 2017~~ June 1, 2019, to
144 purchase an alternative fuel medium-duty vehicle not to exceed \$12,000.00 per vehicle.

145 (c) The tax credits allowed under this Code section shall be limited to \$2.5 million in each
146 fiscal year beginning with fiscal year 2016 and ending with fiscal year ~~2017~~ 2019.

147 (d) In no event shall the total amount of any tax credit under this Code section for a
148 taxpayer or an affiliated entity for a taxable year exceed the lesser of (i) a taxpayer's
149 income tax liability, or (ii) \$250,000.00. No unused portion of such tax credit shall be
150 allowed the taxpayer or an affiliated entity against succeeding years' tax liabilities. No
151 such credit shall be allowed the taxpayer or an affiliated entity against prior years' tax
152 liabilities. The tax credit provided for in this Code section shall not apply to any vehicle
153 for which the taxpayer or an affiliated entity has applied for and received a tax credit as set
154 forth in Code Section 48-7-40.16."

155 **SECTION 3.**

156 This Act shall become effective on June 30, 2017.

157 **SECTION 4.**

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