

SENATE BILL NO. 243

BY SENATOR PEACOCK

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AN ACT

To amend and reenact R.S. 47:6035(A), (B)(2), (C)(1), (D), and (E) and to repeal R.S. 47:6035(C)(1) and (D) as amended by Section 5 of Act 125 of the 2015 Regular Session of the Legislature, relative to the tax credit for conversion of vehicles to alternative fuel usage; to remove the refundability of the credit; to reduce the credit rate for the conversion of vehicles and fueling equipment; to provide for the calculation of the credit for purchases of new vehicles originally equipped to be propelled by an alternative fuel; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:6035(A), (B)(2), (C)(1), (D), and (E) are hereby amended and reenacted to read as follows:

§6035. Tax credit for conversion of vehicles to alternative fuel usage

A. The intent of this Section is to provide an incentive to persons or corporations to invest in qualified clean-burning motor vehicle fuel property. Any person or corporation purchasing such property as specified in this Section shall be allowed a **nonrefundable** credit against income tax liability as determined pursuant to Subsection C of this Section.

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

\* \* \*

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

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

(b) The cost to the owner of a new motor vehicle purchased at retail originally equipped to be propelled by an alternative fuel ~~for the cost of that portion of the motor vehicle which is attributable to the storage of the alternative fuel, the delivery of the alternative fuel to the engine of the motor vehicle, and the exhaust of gases from combustion of the alternative fuel,~~ provided the motor vehicle is registered in this state.

(c) The cost of property ~~which~~ **that** is directly related to the delivery of an alternative fuel into the fuel tank of motor vehicles propelled by alternative fuel, including compression equipment, storage tanks, and dispensing units for alternative fuel at the point where the fuel is delivered, provided the property is installed and located in this state and no credit has been previously claimed on the cost of such property. The cost of property ~~which~~ **that** is directly related to the delivery of an alternative fuel into the fuel tank of motor vehicles propelled by alternative fuel shall not include costs associated with exploration and development activities necessary for severing natural resources from the soil or ground **or costs associated with fueling station infrastructure that is not directly related to the delivery of an alternative fuel into the fuel tank of motor vehicles.**

\* \* \*

C.(1) The credit provided for in ~~Subsection A~~ of this Section shall be allowed against individual or corporate income tax for the taxable period in which the

1 qualified clean-burning motor vehicle fuel property, as defined in  
 2 Subparagraphs (B)(2)(a) and (c) of this Subsection, is purchased and installed, if  
 3 applicable, and shall be equal to ~~thirty-six~~ **thirty** percent of the cost of the qualified  
 4 clean-burning motor vehicle fuel property.

5 \* \* \*

6 D. In cases where no previous credit has been claimed pursuant to Subsection  
 7 C of this Section for the cost of qualified clean-burning motor vehicle fuel property  
 8 ~~in~~ **of** a new motor vehicle purchased by a taxpayer with qualified clean-burning  
 9 motor vehicle fuel property, as defined in Subparagraph (B)(2)(b) of this  
 10 Subsection, if installed by the vehicle's manufacturer and the taxpayer is unable to,  
 11 or elects not to determine the exact cost which is attributable to such property, the  
 12 taxpayer may claim a credit against individual or corporate income tax for the  
 13 taxable period in which the **new** motor vehicle is purchased equal to seven and two  
 14 tenths percent of the cost of the motor vehicle or one thousand five hundred dollars,  
 15 whichever is less, provided the motor vehicle is registered in this state.

16 E.(1) ~~If~~ **For purchases of qualified clean-burning motor vehicle fuel**  
 17 **property made before January 1, 2018, if** the tax credit allowed pursuant to the  
 18 provisions of this Section exceeds the amount of income taxes due or if the taxpayer  
 19 owes no state income taxes, any excess of the tax credit over the income tax liability  
 20 against which the credit can be applied shall constitute an overpayment, as defined  
 21 in R.S. 47:1621(A), and the secretary shall make a refund of the overpayment from  
 22 the current collections of the taxes imposed by Chapter 1 of Subtitle II of this Title,  
 23 as amended. The right to a refund of any overpayment shall not be subject to the  
 24 requirements of R.S. 47:1621(B).

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

28 \* \* \*

29 Section 2. R.S. 47:6035(C)(1) and (D) as amended by Section 5 of Act 125 of the  
 30 2015 Regular Session of the Legislature are hereby repealed.

1           Section 3. This Act shall become effective upon signature by the governor or, if not  
2 signed by the governor, upon expiration of the time for bills to become law without signature  
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
5 effective on the day following such approval.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_