

**HOUSE SUMMARY OF SENATE AMENDMENTS**

House Bill No. 681 by Representative Ortego

**TAX CREDITS:** Changes the definition of alternative fuel for purposes of the tax credit for conversion of a vehicle to alternative fuel usage

**Synopsis of Senate Amendments**

1. Adds provision that the Dept. of Revenue shall by rule determine the extent to which a vehicle is propelled by an electric motor for purposes of eligibility for the tax credit.

**Digest of Bill as Finally Passed by Senate**

Present law authorizes an income tax credit for the cost of certain equipment necessary to convert a motor vehicle to operate on an "alternative fuel".

Present law defines "alternative fuel" as a fuel which results in emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide, or particulates, or any combination of these which are comparably lower than emissions from gasoline or diesel and which meets or exceeds federal clean air standards, including but not limited to compressed natural gas, liquefied natural gas, liquefied petroleum gas, biofuel, biodiesel, methanol, ethanol, and electricity.

Proposed law changes the definition of "alternative fuel" to natural gas, liquified petroleum gas, any nonethanol based advanced biofuel, or electricity.

Proposed law provides that electricity shall only be considered an alternative fuel if the following criteria are met: the vehicle has four wheels, is manufactured for use on public roads, can maintain a speed of 55 mph, and is propelled to a significant extent by a battery. The extent to which a vehicle is propelled by an electric motor shall be determined by rule promulgated by the Dept. of Revenue.

Effective for taxable periods beginning on and after Jan. 1, 2014.

(Amends R.S. 47:6035(B)(1))