2015 Regular Session

HOUSE BILL NO. 637

BY REPRESENTATIVE STOKES

TAX CREDITS: Provides for the carryforward rather than the refund of a certain portion of the tax credit for conversion of vehicles to alternative fuels for a limited period of time

AN ACT

To amend and reenact R.S. 47:6035(E), relative to income tax credits; to provide with respect to the tax credit for conversion of certain vehicles to alternative fuel usage; to provide with respect to authorization for issuance of refunds for tax credits which exceed taxpayer tax liability; to provide for certain limitations; to provide for effectiveness; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:6035(E) is hereby amended and reenacted to read as follows:

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

* * *

E. <u>(1) For tax years beginning on or after January 1, 2015, January 1, 2016, and January 1, 2017, if the tax credit allowed pursuant to the provisions of this Section exceeds the amount of income taxes due or if the taxpayer owes no state income taxes, any excess of the tax credit over the income tax liability against which the credit can be applied shall constitute an overpayment, as defined in R.S. 47:1621(A), and the secretary shall make a refund of fifty percent of the overpayment from the current collections of the taxes imposed by Chapter 1 of Subtitle II of this Title, as amended. The right to a refund of any overpayment shall not be subject to the requirements of R.S. 47:1621(B). The remainder of the unused</u>

credit may be carried forward as a credit against subsequent Louisiana income or corporation franchise tax liability.

(2) ~~If~~ For tax years beginning on or after January 1, 2018, and each tax year thereafter, the tax credit allowed pursuant to the provisions of this Section exceeds the amount of income taxes due or if the taxpayer owes no state income taxes, any excess of the tax credit over the income tax liability against which the credit can be applied shall constitute an overpayment, as defined in R.S. 47:1621(A), and the secretary shall make a refund of the overpayment from the current collections of the taxes imposed by Chapter 1 of Subtitle II of this Title, as amended. The right to a refund of any overpayment shall not be subject to the requirements of R.S. 47:1621(B).

* * *

Section 2. The provisions of this Act shall be applicable to tax years beginning on or after January 1, 2015.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 637 Original 2015 Regular Session Stokes

Abstract: Changes the tax credit for conversion of vehicles to alternative fuel from a refundable credit to a credit in which 50% of the amount of the credit above the liability is refundable and 50% may be carried forward and applied against subsequent tax liability for 3 years.

Present law authorizes an income tax credit for the following:

(1) The retail cost paid to purchase and install qualified clean-burning motor vehicle fuel property to modify a vehicle propelled by gasoline or diesel so that the vehicle may be propelled by an alternative fuel.

(2) The cost of that portion of a new motor originally equipped to be propelled by an alternative fuel 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.

(3) The cost of property directly related to the delivery of an alternative fuel into the fuel tank of motor vehicles propelled by alternative fuel.

Present law provides that the amount of the credit shall be equal to 50% of the cost of the qualified clean-burning motor vehicle fuel property. However, in cases where a new motor vehicle is purchased with qualified clean-burning motor vehicle fuel property installed by the manufacturer and the taxpayer is unable to, or elects not to determine the exact cost attributable to such property, the amount of the credit shall equal 10% of the cost of the motor vehicle or $3,000, whichever is less.

Present law provides that the taxpayer is entitled to a refund for any allowable credit which exceeds the aggregate tax liability of the taxpayer. Further requires the Dept. of Revenue to refund the excess tax credit amount to the taxpayer from current tax collections.

Proposed law changes the tax credit for conversion of vehicles to alternative fuel from a refundable credit to a credit in which 50% of the amount of the credit above the liability is refundable and 50% may be carried forward and applied against subsequent tax liability for 3 years.

Applicable to tax years beginning on or after Jan. 1, 2015.

(Amends R.S. 47:6035(E))