

1 SB502
2 137070-2
3 By Senators Smith, Ward, Allen, Sanford, Reed, Waggoner and
4 Keahey
5 RFD: Finance and Taxation Education
6 First Read: 12-APR-12

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8 SYNOPSIS: This bill would provide tax credit
9 incentives for the conversion of motor vehicles for
10 compressed natural gas (CNG) use and the
11 incremental costs of purchasing CNG powered motor
12 vehicles.

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14 A BILL
15 TO BE ENTITLED
16 AN ACT

17
18 Relating to incentives for the use of motor vehicles
19 powered by compressed natural gas (CNG); to provide state
20 income tax credits for the costs of conversion of motor
21 vehicles or incremental costs of purchasing CNG powered motor
22 vehicles.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. (a) The following state income tax
25 credits shall apply for tax years 2012 to 2017, inclusive,

1 relating to motor vehicles using compressed natural gas (CNG)
2 fuel:

3 (1) Up to 75 percent of the incremental cost of
4 purchasing a motor vehicle powered by CNG over the cost of
5 purchasing a non-CNG powered vehicle.

6 (2) Up to 75 percent of the costs of converting a
7 motor vehicle for CNG fuel usage.

8 (b) The income tax credits allowed in this section
9 shall be applied against an Alabama taxpayer's income on a
10 dollar-for-dollar basis up to the maximum amount authorized.

11 (c) Tax credits provided in this section may be
12 carried forward from the tax year the credit is sought for an
13 additional period of 10 tax years.

14 (d) The Department of Revenue may adopt rules
15 regarding the implementation and administration of this
16 section.

17 Section 2. This act shall become effective on the
18 first day of the third month following its passage and
19 approval by the Governor, or its otherwise becoming law.