

1 HB243
2 146823-1
3 By Representative Wren
4 RFD: Ways and Means Education
5 First Read: 12-FEB-13

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8 SYNOPSIS: This bill would provide tax credit
9 incentives for using motor vehicles powered by
10 compressed natural gas (CNG) by providing a state
11 income tax credit for certain incremental sales
12 costs or conversion costs related to CNG powered
13 motor vehicles.

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15 A BILL
16 TO BE ENTITLED
17 AN ACT
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19 Relating to incentives for the use of motor vehicles
20 powered by compressed natural gas (CNG) or propane gas; to
21 provide state income tax credits for the costs of conversion
22 of motor vehicles or incremental costs of purchasing CNG or
23 propane gas powered motor vehicles.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

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

3 (1) Up to 30 percent of the incremental cost of
4 purchasing a motor vehicle powered by CNG or propane gas over
5 the cost of purchasing a non-CNG or a non-propane gas powered
6 vehicle.

7 (2) Up to 30 percent of the costs of converting a
8 motor vehicle for CNG or propane gas fuel usage.

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

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

15 (d) Tax credits provided in this section shall be
16 limited to the first 500 vehicles for each of the four types
17 of credits provided for in subsection (a) as determined by the
18 Department of Revenue.

19 (e) The Department of Revenue may adopt rules
20 regarding the implementation and administration of this
21 section.

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