

FIRST REGULAR SESSION

SENATE BILL NO. 527

91ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR DOUGHERTY.

Read 1st time February 21, 2001, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

1592L.031

AN ACT

To amend chapter 301, RSMo, relating to environmentally conscious motor vehicles by adding thereto one new section relating to the same subject.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 301, RSMo, is amended by adding thereto one new section, to be known as section 301.725, to read as follows:

301.725. 1. As used in this section, the following terms mean:

- (1) "Alternative fuel", an alternative fuel as defined in section 414.400, RSMo;**
- (2) "Certified", documented by the Federal Environmental Protection Agency as meeting the emission specifications for an NEV, ULEV or ZEV, as applicable;**
- (3) "Motor vehicle", as defined in section 142.800, RSMo;**
- (4) "Near zero emissions vehicle" or "NEV", a motor vehicle exhibiting emissions characteristics that are near those of a zero emissions vehicle. To qualify as a near zero emissions vehicle, a motor vehicle shall meet at least one of the following requirements:**
 - (a) The vehicle shall be certified as meeting an emission standard between the ultra-low emissions vehicle emission standard and the zero emissions vehicle emission standard; or**
 - (b) The vehicle shall be certified as meeting the federal ultra-low emissions vehicle emission standard and shall be certified by the department of natural resources as provided in the "Federal Clean Air Act" to an emission standard between the ultra-low emissions vehicle emission standard and the zero emissions vehicle emission standard;**
- (5) "Power source", the engine or motor and associated wiring, fuel lines, engine coolant system, fuel storage containers, and miscellaneous components;**

(6) "Renewable energy source", an alternative fuel that comes from a source that is not depleted with use or that can be replenished indefinitely; including solar, wind, hydropower, biomass, geothermal, or other similar source. Alternative fuels from a renewable energy source shall include ethanol from biomass, natural gas from waste treatment plants or landfills, electricity from wind, solar, or hydropower, and other alternative fuels from similar sources;

(7) "Traditional fuel", a petroleum-based motor fuel commonly used on the highways of this state in the year 1994;

(8) "Ultra-low emissions vehicle" or "ULEV", any motor vehicle which is certified to produce no greater than one one-hundredth of a gram of nonmethane-organic gases per mile, no greater than two one-hundredths of a gram of carbon monoxide per mile and no greater than two one-hundredths of a gram of oxides of nitrogen per mile;

(9) "Uses an alternative fuel" or "to use an alternative fuel" means to operate solely on an alternative fuel, to operate on both an alternative fuel and a traditional fuel, or to operate alternately on a traditional fuel and an alternative fuel;

(10) "Zero emissions vehicle" or "ZEV", any motor vehicle which is certified to produce zero exhaust emission of criteria or precursor pollutants under all possible operational conditions and which has at least a one hundred fifty thousand miles emission warranty.

2. For all tax years beginning on or after January 1, 2002, but before December 31, 2008, a taxpayer who owns a motor vehicle that is titled and registered in the state of Missouri, is used in connection with a business and uses or is converted to use an alternative fuel or has its power source replaced with a power source that uses an alternative fuel, shall be allowed a nonrefundable credit against the tax otherwise due pursuant to chapter 143, RSMo, excluding sections 143.191 to 143.265, RSMo, in an amount equal to the percentage of the difference in actual cost incurred or the percentage of the actual cost incurred that may be claimed as a credit, multiplied by the greater of the following:

(1) The difference between the actual cost incurred by such taxpayer during the tax year in purchasing a motor vehicle that uses an alternative fuel and the cost of the same motor vehicle that uses a traditional fuel or, if the same vehicle is not available, then the cost of the most similar vehicle, taking into account the model, make, engine size, and options, that uses a traditional fuel, as determined by the department of revenue;

(2) The difference between the actual cost incurred by such person during the tax year in replacing an existing power source in a motor vehicle that uses a traditional fuel with a power source that uses an alternative fuel and the cost of replacing the

existing power source in the motor vehicle with the same type of power source that uses a traditional fuel; or

(3) The actual cost incurred by such person during the tax year in converting the motor vehicle to a fuel system that uses an alternative fuel.

3. Except as otherwise provided in this section, the percentage of the difference in actual cost incurred or the percentage of the actual cost incurred that may be claimed as a credit pursuant to this subsection is as follows:

(1) For tax years beginning on or after January 1, 2002, but before January 1, 2004, seventy-five percent for ultra-low emissions vehicles and eighty-five percent for near-zero and zero emissions vehicles;

(2) For tax years beginning on or after January 1, 2004, but before January 1, 2006, fifty percent for ultra-low emissions vehicles and seventy-five percent for near-zero and zero emissions vehicles; and

(3) For tax years beginning on or after January 1, 2006, but before January 1, 2008, fifty percent for near-zero and zero emissions vehicles.

For a motor vehicle that was not used solely and exclusively for business purposes during the tax year for which a credit is claimed, the amount to the credit allowed pursuant to this subsection shall be prorated in proportion to the percentage of time during the tax year that the motor vehicle was used for business purposes. No more than one tax credit shall be granted pursuant to this subsection for any individual motor vehicle. The balance of any unused tax credit authorized pursuant to this section may be carried forward to the taxpayer's next five tax years only if the taxpayer maintains a current registration and license on each NEV, ZEV or ULEV which such taxpayer carries the unused balance of the credit forward. The credit shall not be transferrable. The maximum amount of credits allowed pursuant to this subsection is five million dollars per calendar year and if insufficient credits are available for all applicants, priority shall be based on the date of application.

4. For all tax years beginning on or after January 1, 1992, but before January 1, 2008, a taxpayer shall be allowed a nonrefundable credit against the tax otherwise due pursuant to chapter 143, RSMo, excluding sections 143.191 to 143.265, RSMo, in an amount equal to a percentage of the actual cost incurred by the taxpayer during the tax year in constructing, reconstructing, or acquiring an alternative fuel refueling facility that is directly attributable to the storage, compression, charging, or dispensing of alternative fuels to motor vehicles. A taxpayer may claim the following percentage of costs:

(1) Fifty percent of the costs incurred on or after January 1, 2002, but before January 1, 2004;

(2) Thirty-five percent of the costs incurred on or after January 1, 2004, but before January 1, 2006;

(3) Twenty percent of the costs incurred on or after January 1, 2006, but before July 1, 2008.

For an alternative fuel refueling facility that will be generally accessible for use by persons in addition to the taxpayer claiming the credit, the percentage that may be claimed pursuant to this subsection shall be multiplied by one and one-fourth. For an alternative fuel refueling facility that dispenses an alternative fuel derived from a renewable energy source, the percentage credit that may be claimed pursuant to this subsection shall be multiplied by one and one-fourth. For a person to receive an increased percentage calculated pursuant to this subsection, such person shall provide certification that at least seventy percent of the alternative fuel dispensed each year by the refueling facility will be derived from a renewable energy source for ten years. No taxpayer shall claim more than one increased percentage pursuant to this subsection. The aggregate amount of credit claimed by a taxpayer for any one alternative fuel refueling facility pursuant to this subsection shall not exceed four hundred thousand dollars during any period of five consecutive tax years. No taxpayer shall claim a credit for all or any portion of the cost of constructing, reconstructing, or acquiring an alternative fuel refueling facility, or any equipment used in connection with such facility, for which the taxpayer or any other person has previously claimed a credit pursuant to this subsection. The balance of an unused tax credit authorized pursuant to this section may be carried forward to the taxpayer's next five tax years. The credit shall not be refundable or transferrable. The maximum amount of credits allowed pursuant to this subsection is five million dollars per calendar year.

5. The director of the department of revenue, in consultation with the department of natural resources, is authorized to promulgate any rules and regulations necessary to implement the credits authorized by this section. No rule or portion of a rule shall become effective unless it is promulgated pursuant to the provisions of chapter 536, RSMo.