

HB 505 -- Alternative Fuels

Sponsor: Bivins

This bill changes the laws regarding alternative fuels. In its main provisions, the bill:

(1) Authorizes an income tax credit for owners of alternative fuel vehicle refueling facilities who convert an existing gas pump to a pump used for dispensing alternative fuels. For tax years beginning January 1, 2008, but before January 1, 2011, an eligible applicant may apply to the Department of Natural Resources for a tax credit of up to \$2,000 for the cost of the conversion. The maximum amount of tax credits authorized in 2008 will be \$2 million, \$1.5 million in 2009, and \$1 million in 2010. If the tax credit amount authorized for a taxable year is not sufficient to cover the qualified applications, the credits will be prorated among the qualified applicants;

(2) Lowers the tax on E85 fuel from 17 cents per gallon to 13 cents per gallon; and

(3) Prohibits the use of franchise agreements that restrict fuel franchisees from purchasing, selling, or distributing alternative fuels.