

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5591-01
Bill No.: HB 1610
Subject: Motor Vehicles; Motor Fuel; Tax Credits
Type: Original
Date: January 31, 2014

Bill Summary: This proposal reauthorizes the alternative fuel tax credit for six years and adds electric vehicles recharging properties to the list of eligible properties.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0	\$0 or (Up to \$1,000,000)	\$0 or (Up to \$1,000,000)
Total Estimated Net Effect on General Revenue Fund	\$0	\$0 or (Up to \$1,000,000)	\$0 or (Up to \$1,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of Administration's Division of Budget and Planning (BAP)** assume no fiscal impact from this proposal to BAP. This proposal renews and modifies the Alternative Fuel Station tax credit for tax years 2015 to 2020. The proposal also expands the list of qualifying properties to include certain electric vehicle recharging stations. The program is capped at \$1 million annually, and may therefore reduce General and Total State Revenues by this amount. BAP notes \$69,454 was redeemed under this program in FY 2012.

In response to similar legislation filed this year, SB 574, officials at the **Department of Economic Development** assumed there was no fiscal impact from this proposal.

In response to similar legislation filed this year, SB 574, officials at the **Department of Revenue** assume there is no fiscal impact from this proposal; however, this proposal will reduce State Revenue.

Officials at the **Department of Natural Resources** assume there is no fiscal impact from this proposal.

Oversight notes according to the Tax Credit Analysis submitted by the Department of Economic Development regarding this program, the Alternative Fuel Station tax credit program had the following activity;

	FY 2011	FY 2012	FY 2013
Amount Authorized	\$87,925	\$91,365	\$0
Amount Issued	\$87,925	\$91,365	\$0
Amount Redeemed	\$23,365	\$45,690	\$69,454

Oversight notes this credit began on August 28, 2008 for tax years starting January 1, 2009. The program required the alternative fuel stations to be built between January 1, 2009 and January 1, 2012 to qualify for the tax credit. This program has a sunset date that requires it to end on August 28, 2014.

Oversight assumes this proposal reauthorizes the Alternative Fuel tax credit. This credit will begin with tax years starting January 1, 2015 and therefore the Fiscal Years impacted would be 2016 and 2017. Oversight assumes this proposal places a \$1 million cap on this proposal and

ASSUMPTION (continued)

therefore, Oversight will show the loss of revenue to the State as \$0 (no credits issued) or Up to \$1 million.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Revenue Reduction</u> - extension of the alternative fuel tax credit	<u>\$0</u>	\$0 or (Up to <u>\$1,000,000</u>)	\$0 or (Up to <u>\$1,000,000</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0 or (Up to \$1,000,000)</u>	<u>\$0 or (Up to \$1,000,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses the build alternative fuel stations may be positively impacted.

FISCAL DESCRIPTION

This legislation reauthorizes the alternative fuel tax credit for six years and adds electric vehicles recharging properties to the list of eligible properties.

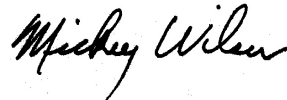
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources
Office of Administration
Division of Budget and Planning

Not Responding

Department of Economic Development
Department of Revenue

A handwritten signature in black ink that reads "Mickey Wilson". The signature is fluid and cursive, with the first name "Mickey" and last name "Wilson" clearly distinguishable.

Mickey Wilson, CPA
Director
January 31, 2014

Ross Strobe
Assistant Director
January 31, 2014