

HCS HB 2141 -- ALTERNATIVE FUELS (Diehl)

COMMITTEE OF ORIGIN: Committee on Transportation

This bill changes the laws regarding alternative fuels.

The bill authorizes, for the tax years on or after January 1, 2015, but before January 1, 2018, a tax credit for any eligible applicant who installs and operates an electric vehicle recharging property or an alternative fuel vehicle refueling property with specified limitations. The cumulative amount of tax credits that may be claimed by eligible applicants cannot exceed \$1 million in any calendar year. Electric vehicle recharging property is added to the list of eligible properties for the tax credit.

The bill specifies measurement standards and tax rates for compressed natural gas and liquefied natural gas as a motor fuel and removes them from the provisions regarding alternative fuel decal and tax requirements.

The tax on compressed natural gas fuel must be five cents per gasoline gallon equivalent as specified in the bill until December 31, 2019, then 11 cents per equivalent until December 31, 2024, and then 17 cents per equivalent thereafter.

The tax on liquefied natural gas fuel must be five cents per diesel gallon equivalent as specified in the bill until December 31, 2019, then 11 cents per equivalent until December 31, 2024, and then 17 cents per equivalent thereafter.

The bill creates an exception for owners or operators of passenger motor vehicle or commercial motor vehicles who may opt for the continued use of the alternative fuel decal if:

- (1) The motor vehicles are powered by compressed or liquefied natural gas;
- (2) The owners or operators of the motor vehicles have installed a compressed or liquefied natural gas fueling station prior to January 1, 2016; and
- (3) The fueling stations are used solely to fuel the owner or operator's motor vehicles.

The owners or operators under this exception are prohibited from selling compressed or liquefied natural gas at retail. Once an owner or operator under this exception declines to renew the alternative fuel decals, he or she must no longer be eligible to apply for and use the alternative fuel decals.

The provisions of the bill regarding the tax on compressed and liquefied natural gas fuel will become effective January 1, 2015.