

Senate File 463 - Introduced

SENATE FILE 463
BY COMMITTEE ON NATURAL
RESOURCES AND ENVIRONMENT

(SUCCESSOR TO SSB 1154)

A BILL FOR

1 An Act providing for an alternative motor fuel facility tax
2 credit and including effective date and applicability
3 provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 422.11Y Alternative motor fuel
2 facility tax credit.

3 1. The taxes imposed under this division, less the
4 credits allowed under section 422.12, shall be reduced by an
5 alternative motor fuel facility tax credit. In order to be
6 eligible to claim the tax credit, the taxpayer must comply with
7 this section and rules adopted by the department necessary to
8 administer and enforce this section.

9 2. The taxpayer must construct, install, and place in
10 service an alternative motor fuel facility which serves a motor
11 vehicle that is designed by a manufacturer to operate using one
12 of the following:

13 a. A biofuel which is one of the following:

14 (1) Biodiesel blended fuel designated as B-25 or higher as
15 classified pursuant to section 214A.2, and meets the standards
16 provided in that section.

17 (2) E-85 gasoline as defined in section 214A.1, which meets
18 the standards of section 214A.2.

19 b. Compressed natural gas.

20 c. Liquefied natural gas.

21 d. Liquefied petroleum gas.

22 e. Hydrogen.

23 f. Electricity.

24 3. An alternative motor fuel facility is limited to
25 infrastructure, equipment, or machinery used to store,
26 dispense, and meter alternative motor fuel. For liquid fuel,
27 it may include associated pipes and motor fuel pumps or meters.
28 For hydrogen fuel or natural gas, it may include pipes,
29 compressors, or vaporizers. For electric fuel, it may include
30 charging equipment, infrastructure, or batteries.

31 4. The amount of the alternative motor fuel facility tax
32 credit equals thirty percent of the cost to the taxpayer of
33 purchasing the infrastructure, equipment, or machinery and
34 thirty percent of the cost to the taxpayer of installing the
35 infrastructure, equipment, or machinery.

1 5. The alternative motor fuel facility must comply with
2 any applicable federal and state standards and the latest
3 applicable and available A.S.T.M. international specifications.

4 6. The alternative motor fuel facility tax credit may be
5 claimed by a person on a commercial or residential basis.

6 a. A person may claim the tax credit on a commercial basis,
7 if the alternative motor fuel facility is part of a business
8 selling qualified alternative motor fuel on a retail basis,
9 including a dealer as defined in section 214A.1, or may claim
10 the tax credit if the alternative motor fuel facility is used
11 by a business for its own vehicle fleet or employees. The tax
12 credit must be taken in equal installments in three consecutive
13 tax years, beginning with the tax year in which the alternative
14 motor fuel facility is placed in service. If any part of the
15 alternative motor fuel facility is taken out of service and not
16 immediately replaced, the tax credit expires and the taxpayer
17 cannot take any remaining installment of the tax credit.

18 b. A person may claim the tax credit on a residential basis,
19 if the alternative motor fuel facility is part of a home or
20 farm and is used for personal, family, household, or farm use.
21 The entire amount of the tax credit must be claimed in the tax
22 year in which the alternative motor fuel facility is first
23 placed in service.

24 7. Any tax credit in excess of the taxpayer's tax liability
25 shall be refunded. In lieu of claiming a refund, the taxpayer
26 may elect to have the overpayment shown on the retail dealer's
27 final, completed return credited to the tax liability for the
28 following tax year.

29 8. A person shall not claim a tax credit under this section
30 for an alternative motor fuel facility that was placed in
31 service on or after January 1, 2015. However, a person who
32 placed the alternative motor fuel facility in service prior to
33 January 1, 2015, may continue to claim the tax credit after
34 that date as if the alternative motor fuel facility were placed
35 in service on January 1, 2012.

1 9. This section is repealed on January 1, 2019.

2 Sec. 2. Section 422.33, Code 2011, is amended by adding the
3 following new subsection:

4 NEW SUBSECTION. 11D. The taxes imposed under this division
5 shall be reduced by an alternative motor fuel facility tax
6 credit for each tax year that the taxpayer is eligible to claim
7 the tax credit under this subsection.

8 a. The taxpayer must claim the tax credit on a commercial
9 basis or residential basis in the same manner as provided
10 in section 422.11Y. The taxpayer must claim the tax credit
11 according to the same requirements, for the same amount, and
12 for the same period as provided in section 422.11Y. The amount
13 of the tax credit shall be calculated in the same manner as
14 provided in section 422.11Y. A taxpayer claiming tax credit on
15 a commercial basis is subject to the same penalty for taking
16 the alternative motor fuel facility out of service as provided
17 in section 422.11Y.

18 b. This subsection is repealed on January 1, 2019.

19 Sec. 3. EFFECTIVE DATE. This Act takes effect January 1,
20 2012.

21 Sec. 4. APPLICABILITY. This Act applies to tax years
22 beginning on and after January 1, 2012.

23 EXPLANATION

24 This bill creates an alternative motor fuel facility
25 tax credit for persons who construct, install, and place in
26 service a facility that stores, dispenses, and meters biodiesel
27 blended fuel with 25 percent or more biodiesel; so-called
28 E-85 gasoline, containing between 70 and 85 percent ethanol;
29 compressed natural gas; liquefied natural gas; liquefied
30 petroleum gas; hydrogen; and electricity. The amount of
31 the tax credit is 30 percent of the cost of purchasing and
32 installing the facility. A person may claim the tax credit
33 on a commercial (as a retailer) or residential basis (for
34 personal, business, or farm use). A person claiming the tax
35 credit on a commercial basis must claim one-third of the tax

1 credit for each of three tax years. Any tax credit in excess of
2 the taxpayer's tax liability is refundable or may be used in
3 calculating a future tax liability.

4 The tax credit applies to tax years beginning on and after
5 January 1, 2012. The taxpayer must place the facility in
6 service by January 1, 2015, but may claim the tax credit for a
7 previous installation after that date. The bill's provisions
8 are repealed on January 1, 2019. The bill takes effect on
9 January 1, 2012, for tax years beginning on or after that date.