

House File 2061 - Introduced

HOUSE FILE 2061

BY ISENHART

A BILL FOR

1 An Act relating to registration fees paid for certain electric
2 vehicles, including by altering the amounts of the
3 registration fees, creating a tax credit for registration
4 fees paid, and exempting customers of an electric utility
5 who have paid registration fees from certain user or
6 franchise fees, and including applicability provisions.
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.116, Code 2020, is amended to read
2 as follows:

3 **321.116 Battery electric and plug-in hybrid electric motor**
4 **vehicle fees.**

5 1. For each battery electric motor vehicle subject to an
6 annual registration fee under [section 321.109, subsection 1](#),
7 paragraph "a", and operated on the public highways of this
8 state, the owner shall pay an annual battery electric motor
9 vehicle registration fee, which shall be in addition to the
10 annual registration fee imposed for the vehicle under section
11 321.109, subsection 1, paragraph "a". For purposes of this
12 subsection, "*battery electric motor vehicle*" means a motor
13 vehicle equipped with electrical drivetrain components and not
14 equipped with an internal combustion engine, that is propelled
15 exclusively by one or more electrical motors using electrical
16 energy stored in a battery or other energy storage device that
17 can be recharged by plugging into an electrical outlet or
18 electric vehicle charging station. The amount of the fee shall
19 be as follows:

20 a. For the period beginning ~~January~~ July 1, 2020, and ending
21 December 31, 2020, ~~sixty-five dollars~~ thirty-two dollars and
22 fifty cents.

23 b. For the period beginning January 1, 2021, and ending
24 December 31, 2021, ~~ninety-seven dollars and fifty cents~~
25 sixty-five dollars.

26 c. On or after January 1, 2022, one hundred thirty dollars.

27 2. For each plug-in hybrid electric motor vehicle subject to
28 an annual registration fee under section 321.109, subsection
29 1, paragraph "a", and operated on the public highways of this
30 state, the owner shall pay an annual plug-in hybrid electric
31 motor vehicle registration fee, which shall be in addition
32 to the annual registration fee imposed for the vehicle under
33 section 321.109, subsection 1, paragraph "a". For purposes of
34 this subsection, "*plug-in hybrid electric motor vehicle*" means a
35 motor vehicle equipped with electrical drivetrain components,

1 an internal combustion engine, and a battery or other energy
2 storage device that can be recharged by plugging into an
3 electrical outlet or electric vehicle charging station. The
4 amount of the fee shall be as follows:

5 *a.* For the period beginning ~~January~~ July 1, 2020, and ending
6 December 31, 2020, ~~thirty-two dollars and fifty cents~~ sixteen
7 dollars and twenty-five cents.

8 *b.* For the period beginning January 1, 2021, and ending
9 December 31, 2021, ~~forty-eight dollars and seventy-five cents~~
10 thirty-two dollars and fifty cents.

11 *c.* On or after January 1, 2022, sixty-five dollars.

12 3. The department shall document the average number of
13 miles traveled per vehicle per year by battery electric motor
14 vehicles and plug-in hybrid electric motor vehicles registered
15 under this section.

16 Sec. 2. NEW SECTION. **321.116A Electric vehicle registration**
17 **fee tax credit.**

18 1. *a.* A person who paid a registration fee pursuant to
19 section 321.116 or section 321.117, subsection 2, may claim a
20 tax credit in an amount equal to the registration fee paid.

21 *b.* The tax credit shall be allowed against taxes imposed
22 under chapter 422, division II or III.

23 *c.* An individual may claim a tax credit under this section
24 of a partnership, limited liability company, S corporation,
25 estate, or trust electing to have income taxed directly to
26 the individual. The amount claimed by the individual shall
27 be based upon the pro rata share of the individual's earnings
28 from the partnership, limited liability company, S corporation,
29 estate, or trust.

30 *d.* Any tax credit in excess of the taxpayer's liability
31 for the tax year is not refundable but may be credited to the
32 tax liability for the following five years or until depleted,
33 whichever is earlier.

34 *e.* A tax credit shall not be carried back to a tax year
35 prior to the tax year in which the taxpayer first receives the

1 tax credit.

2 2. The department of transportation shall control the
3 issuance of all tax credit certificates to persons who pay
4 a registration fee pursuant to section 321.116 or section
5 321.117, subsection 2.

6 3. *a.* To claim a tax credit under this section, a taxpayer
7 shall include one or more tax credit certificates with the
8 taxpayer's tax return.

9 *b.* The tax credit certificate shall contain the taxpayer's
10 name, address, tax identification number, the amount of the
11 credit, and any other information required by the department
12 of revenue.

13 *c.* The tax credit certificate, unless rescinded by the
14 department of transportation, shall be accepted by the
15 department of revenue as payment for taxes imposed pursuant to
16 chapter 422, divisions II and III, subject to any conditions or
17 restrictions placed by the department of transportation upon
18 the face of the tax credit certificate.

19 *d.* Tax credit certificates issued pursuant to this section
20 shall not be transferred to any other person.

21 Sec. 3. Section 321.117, Code 2020, is amended to read as
22 follows:

23 **321.117 Motorcycle, autocycle, ambulance, and hearse fees.**

24 1. For all motorcycles and autocycles the annual
25 registration fee shall be twenty dollars. For all motorized
26 bicycles the annual registration fee shall be seven dollars.
27 When the motorcycle or autocycle is more than five model
28 years old, the annual registration fee shall be ten dollars.
29 The annual registration fee for ambulances and hearses shall
30 be fifty dollars. Passenger car plates shall be issued for
31 ambulances and hearses.

32 2. In addition to the fee required for a motorcycle under
33 subsection 1, the owner of a motorcycle that is a battery
34 electric motor vehicle or plug-in hybrid electric motor
35 vehicle, as those terms are defined in [section 321.116](#), shall

1 pay an annual electric motorcycle registration fee. The amount
2 of the fee shall be as follows:

3 a. For the period beginning ~~January~~ July 1, 2020, and ending
4 December 31, 2020, ~~four dollars and fifty cents~~ two dollars and
5 twenty-five cents.

6 b. For the period beginning January 1, 2021, and ending
7 December 31, 2021, ~~six dollars and seventy-five cents~~ four
8 dollars and fifty cents.

9 c. On or after January 1, 2022, nine dollars.

10 3. The department shall document the average number of miles
11 traveled per vehicle per year by motorcycles registered under
12 subsection 2.

13 Sec. 4. NEW SECTION. **422.120 Electric vehicle registration**
14 **fee tax credit.**

15 The taxes imposed under this division, less the credits
16 allowed under section 422.12, shall be reduced by an electric
17 vehicle registration fee tax credit allowed under section
18 321.116A.

19 Sec. 5. Section 422.33, Code 2020, is amended by adding the
20 following new subsection:

21 NEW SUBSECTION. 31. The taxes imposed under this division
22 shall be reduced by an electric vehicle registration fee tax
23 credit allowed under section 321.116A.

24 Sec. 6. Section 476.6, Code 2020, is amended by adding the
25 following new subsection:

26 NEW SUBSECTION. 22. *Electric vehicles.* A residential
27 customer of an electric utility subject to rate regulation
28 by the board shall be exempt from paying any user fee or
29 franchise fee on the first two hundred eighty-two kilowatt
30 hours of electricity per month if the residential customer
31 submits to the electric utility proof that the customer paid
32 a registration fee required under section 321.116 or section
33 321.117, subsection 2, within the previous one-year period.

34 Sec. 7. APPLICABILITY. The following apply to tax years
35 beginning on or after January 1, 2021:

- 1 1. The section of this Act enacting section 321.116A.
- 2 2. The section of this Act enacting section 422.120.
- 3 3. The section of this Act amending section 422.33.

4 EXPLANATION

5 The inclusion of this explanation does not constitute agreement with
6 the explanation's substance by the members of the general assembly.

7 This bill changes the amount of the annual battery electric
8 motor vehicle registration fee for the period beginning July
9 1, 2020, and ending December 31, 2020, from \$65 to \$32.50, and
10 the fee for the period beginning January 1, 2021, and ending
11 December 31, 2021, from \$97.50 to \$65. The bill changes the
12 amount of the annual plug-in hybrid electric motor vehicle
13 registration fee for the period beginning July 1, 2020, and
14 ending December 31, 2020, from \$32.50 to \$16.25, and the fee
15 for the period beginning January 1, 2021, and ending December
16 31, 2021, from \$48.75 to \$32.50. The bill changes the amount
17 of the annual electric motorcycle fee for the period beginning
18 July 1, 2020, and ending December 31, 2020, from \$4.50 to
19 \$2.25, and the fee for the period beginning January 1, 2021,
20 and ending December 31, 2021, from \$6.75 to \$4.50.

21 The bill requires the department of transportation (DOT) to
22 document the average number of miles traveled per vehicle per
23 year by registered battery electric motor vehicles, plug-in
24 hybrid electric motor vehicles, and electric motorcycles.

25 The bill creates a new tax credit available to persons who
26 pay registration fees for battery electric and plug-in hybrid
27 electric motor vehicles and motorcycles. The tax credit is
28 allowed against personal net income taxes and business taxes
29 on corporations. The tax credit is not refundable but can be
30 credited to the tax liability for the following five years or
31 until depleted, whichever is earlier. However, the tax credit
32 cannot be carried back to a tax year prior to the tax year in
33 which the taxpayer first receives the tax credit.

34 The bill provides that the DOT controls the issuance of tax
35 credit certificates to persons who pay registration fees for

1 battery electric and plug-in hybrid electric motor vehicles
2 and motorcycles. The tax credit certificate must contain the
3 taxpayer's name, address, tax identification number, amount
4 of the credit, and any other information as required by the
5 department of revenue (DOR). A person must include the tax
6 credit certificate with the person's tax return in order to
7 claim the tax credit, which, unless rescinded by the DOT,
8 must be accepted by the DOR as payment for taxes. The bill
9 prohibits a person from transferring the tax credit certificate
10 to any other person.

11 The portions of the bill instituting the new tax credit apply
12 to tax years beginning on or after January 1, 2021.

13 Lastly, the bill provides that a residential customer of
14 an electric utility subject to rate regulation by the Iowa
15 utilities board is exempt from paying any user fee or franchise
16 fee on the first 282 kilowatt hours of electricity per month
17 if the residential customer submits to the electric utility
18 proof that the customer paid a registration fee for a battery
19 electric motor vehicle, plug-in hybrid electric motor vehicle,
20 or electric motorcycle within the previous one-year period.