

House File 304 - Introduced

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A BILL FOR

1 An Act creating a used electric vehicle tax credit available
2 against the individual and corporate income taxes, and
3 including applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 321.116A Used electric vehicle tax
2 credit.

3 1. As used in this section, "*electric vehicle*" means the
4 same as "*battery electric motor vehicle*" as defined in section
5 321.116, subsection 1.

6 2. A taxpayer who paid a registration fee pursuant to
7 section 321.116, upon the purchase of a used electric vehicle,
8 may claim a tax credit in an amount equal to five hundred
9 dollars.

10 3. The tax credit shall be allowed against the taxes imposed
11 under chapter 422, subchapters II and III.

12 4. An individual may claim a tax credit under this section
13 of a partnership, limited liability company, S corporation,
14 estate, or trust electing to have income taxed directly to
15 the individual. The amount claimed by the individual shall
16 be based upon the pro rata share of the individual's earnings
17 from the partnership, limited liability company, S corporation,
18 estate, or trust.

19 5. Any credit in excess of the taxpayer's liability for
20 the tax year is not refundable but may be credited to the tax
21 liability for the following five years or until depleted,
22 whichever is earlier.

23 6. A taxpayer claiming the tax credit shall provide
24 documentation supporting the tax credit claim in a form and
25 manner prescribed by the department.

26 7. Tax credits issued under this section are not
27 transferable to any person.

28 8. The department of revenue shall adopt rules pursuant to
29 chapter 17A to administer this section.

30 Sec. 2. NEW SECTION. 422.12P Used electric vehicle tax
31 credit.

32 The taxes imposed under this subchapter, less the credits
33 allowed under section 422.12, shall be reduced by a used
34 electric vehicle tax credit allowed under section 321.116A.

35 Sec. 3. Section 422.33, Code 2023, is amended by adding the

1 following new subsection:

2 NEW SUBSECTION. 33. The taxes imposed under this subchapter
3 shall be reduced by a used electric vehicle tax credit allowed
4 under section 321.116A.

5 Sec. 4. APPLICABILITY. This Act applies to used electric
6 vehicles purchased on or after January 1, 2024.

7 Sec. 5. APPLICABILITY. This Act applies to tax years
8 beginning on or after January 1, 2024.

9 EXPLANATION

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

12 This bill creates a used electric vehicle tax credit
13 available against the individual and corporate income taxes.

14 Under the bill, a taxpayer who paid a registration fee
15 pursuant to Code section 321.116 (battery electric and plug-in
16 hybrid electric motor vehicle fees), upon the purchase of a
17 used electric vehicle, may claim a tax credit in an amount
18 equal to \$500.

19 The bill defines "electric vehicle" to mean the same as
20 "battery electric motor vehicle" as defined in Code section
21 321.116.

22 Any credit in excess of the taxpayer's liability for the tax
23 year is not refundable but may be credited to the tax liability
24 for the following five years or until depleted, whichever is
25 earlier.

26 A taxpayer claiming the tax credit shall provide
27 documentation supporting the tax credit claim in a form and
28 manner prescribed by the department of revenue.

29 A tax credit issued under the bill is not transferable to any
30 person.

31 The bill applies to used electric vehicles purchased on or
32 after January 1, 2024, for tax years occurring on or after that
33 date.