

1 HB354  
2 126861-3  
3 By Representative Wren  
4 RFD: Ways and Means Education  
5 First Read: 29-MAR-11

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8 SYNOPSIS: This bill would allow a credit from state  
9 income tax for the full amount of sales tax paid on  
10 the purchase of any qualified plug-in electric  
11 drive vehicle.

12  
13 A BILL  
14 TO BE ENTITLED  
15 AN ACT

16  
17 Relating to state income credits; to provide an  
18 annual credit not exceeding \$2,000 for the full amount of  
19 sales tax paid on the purchase of qualified plug-in electric  
20 drive vehicles.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. (a) As used in this act, the following  
23 terms shall have the following meanings:

24 (1) STATE SALES TAX. The tax levied in Article 3 of  
25 Chapter 23 of Title 40 of the Code of Alabama 1975.

26 (2) QUALIFIED PLUG-IN ELECTRIC DRIVE VEHICLE. A  
27 4-wheeled motor vehicle that:

- 1           a. Is made by a manufacturer.
- 2           b. Is manufactured primarily for use on public
- 3 streets, roads, and highways.
- 4           c. Has not been modified from original manufacturer
- 5 specifications.
- 6           d. Is acquired for use or lease by the taxpayer and
- 7 not for resale.
- 8           e. Is rated at not more than 8,500 pounds unloaded
- 9 gross vehicle weight.
- 10          f. Has a maximum speed capability of at least 55 or
- 11 65 miles per hour.
- 12          g. Is propelled to a significant extent by an
- 13 electric motor that draws electricity from a battery that:
- 14           1. Has a capacity of not less than four kilowatt
- 15 hours.
- 16           2. Is capable of being recharged from an external
- 17 source of electricity.
- 18          h. Is acquired by the taxpayer on or after October
- 19 1, 2011.

20           (b) (1) An annual credit for state income taxes shall  
21 be allowed for the total amount of sales tax paid on the  
22 purchase of a qualified plug-in electric drive vehicle.

23           (2) Subject to the limitations under subsections (c)  
24 to (e), inclusive, the credit allowed under this section shall  
25 equal 100 percent of the sales tax imposed for a vehicle.

26           (c) The credit allowed under this section may not  
27 exceed two thousand dollars (\$2,000).

1 (d) The credit allowed under this section shall be  
2 limited to the acquisition of one vehicle per individual and  
3 10 vehicles per business entity.

4 (e) A credit may not be claimed under this section  
5 for a vehicle unless all of the following apply:

6 (1) The vehicle is registered in this state.

7 (2) The owner has already conformed to any  
8 applicable state or federal laws or regulations governing  
9 clean-fuel vehicle or electric vehicle purchases applicable  
10 during the calendar year in which the vehicle is titled.

11 (f) The Commissioner of the Department of Revenue  
12 may adopt rules to provide for the administration of any tax  
13 credit provided by this act.

14 Section 2. This act shall become effective on the  
15 first day of the third month following its passage and  
16 approval by the Governor, or its otherwise becoming law.