

House Bill 732

By: Representatives Jones of the 25th, Welch of the 110th, Carpenter of the 4th, Holcomb of the 81st, and Gravley of the 67th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated,
2 relating to imposition, rate, computation, and exemptions from state income tax, so as to
3 provide for a state income tax credit for the purchase or lease of new plug-in hybrid electric
4 vehicles and electric vehicles; to revise a tax credit for electric vehicle chargers; to provide
5 for conditions and limitations; to provide for related matters; to repeal conflicting laws; and
6 for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
10 imposition, rate, computation, and exemptions from state income tax, is amended by revising
11 Code Section 48-7-40.16, relating to income tax credits for low-emission vehicles, as
12 follows:

13 "48-7-40.16.

14 (a) As used in this Code section, the term:

15 (1) 'Alternative fuel' means methanol, denatured ethanol, and other alcohols; mixtures
16 containing 85 percent or more by volume of methanol, denatured ethanol, and other
17 alcohols with gasoline or other fuels; natural gas; liquefied petroleum gas; hydrogen; coal
18 derived liquid fuels; fuels other than alcohol derived from biological materials; and
19 electricity, including electricity from solar energy.

20 (2) 'Clean fueled vehicle' means a motor vehicle which has been certified by the
21 Environmental Protection Agency to meet, for any model year, a set of emission
22 standards that classifies it as a low-emission vehicle or zero emission vehicle.

23 ~~(3) 'Conventionally fueled vehicle' means a motor vehicle which is fueled solely by a~~
24 ~~petroleum based fuel such as gasoline or diesel.~~

25 ~~(4) 'Converted vehicle' means a motor vehicle that is retrofitted so that it is fueled solely~~
26 ~~by an alternative fuel and which meets the emission standards set forth for that class of~~

27 ~~low-emission vehicles as defined under rules and regulations of the Board of Natural~~
 28 ~~Resources applicable to clean fueled vehicles, as amended, when operating on such~~
 29 ~~alternative fuel, or which meets the emission standards set forth for zero emission~~
 30 ~~vehicles as defined under rules and regulations of the Board of Natural Resources.~~

31 ~~(5)(3)~~ 'Low-emission vehicle' means a motor vehicle which is fueled solely by an
 32 alternative fuel and which meets emission standards as defined under rules and
 33 regulations of the Board of Natural Resources applicable to clean fueled vehicles
 34 classified as low-emission vehicles, as amended, when operating on such alternative fuel.

35 ~~(6)(4)~~ 'Motor vehicle' means any self-propelled vehicle designed for transporting persons
 36 or property on a street or highway that is registered by the Department of Revenue,
 37 except vehicles that are defined as 'low-speed vehicles' in paragraph (25.1) of Code
 38 Section 40-1-1.

39 (5) 'Plug-in hybrid electric vehicle' means a motor vehicle that draws propulsion energy
 40 from a battery that has at least four kilowatt hours of capacity and is designed to be
 41 recharged by a source of electricity external to the motor vehicle.

42 ~~(7)(6)~~ 'Zero emission vehicle' means a motor vehicle which has zero tailpipe and
 43 evaporative emissions as defined under rules and regulations of the Board of Natural
 44 Resources applicable to clean fueled vehicles, as amended, and shall include an electric
 45 vehicle whose drive train is powered solely by electricity, provided said electricity is not
 46 provided by any on-board combustion device.

47 ~~(b)(1)~~ For the period beginning July 1, 2020, and ending December 31, 2023, a ~~A~~ tax
 48 credit is allowed against the tax imposed under this article to a taxpayer for the purchase
 49 or lease of a new ~~low-emission~~ plug-in hybrid electric vehicle or new zero emission vehicle
 50 that is registered in the State of Georgia. The amount of the credit shall be equal to 20
 51 percent of the cost of such motor vehicle or \$2,500.00, whichever is less.:

52 ~~(A) For any new low-emission vehicle, 10 percent of the cost of such vehicle or~~
 53 ~~\$2,500.00, whichever is less; and~~

54 ~~(B) For any new zero emission vehicle, 20 percent of the cost of such vehicle or~~
 55 ~~\$5,000.00, whichever is less.~~

56 ~~(2) For any new low-emission vehicle or new zero emission vehicle purchased or leased~~
 57 ~~on or after July 1, 2015, the amount of the credit shall be \$0.00.~~

58 ~~(c) A tax credit is allowed against the tax imposed under this article to a taxpayer for the~~
 59 ~~conversion of a conventionally fueled vehicle to a converted vehicle that is registered in~~
 60 ~~the State of Georgia. The amount of the credit shall be equal to 10 percent of the cost of~~
 61 ~~conversion, not to exceed \$2,500.00 per converted vehicle. The tax credit allowed by~~
 62 ~~subsection (b) of this Code section shall not exceed \$10 million in the aggregate.~~

63 (d)(1) A tax credit is allowed against the tax imposed ~~under this article to~~ by Code
 64 Section 48-7-21 on any business enterprise for the purchase or lease of each electric
 65 vehicle charger that is located on commercial property in the State of Georgia. The
 66 amount of the credit shall be 10 percent of the cost of the charger or ~~\$2,500.00~~ \$1,500.00,
 67 whichever is less.

68 (2) A tax credit is allowed against the tax imposed by Code Section 48-7-20 for the
 69 purchase or lease of each electric vehicle charger that is located on residential property
 70 in the State of Georgia. The amount of the credit shall be 10 percent of the cost of the
 71 charger or \$500.00, whichever is less.

72 (e) The credits granted under this Code section shall be subject to the following conditions
 73 and limitations:

74 (1) All claims for any credit provided by subsection (b) of this Code section shall be:

75 (A) Accompanied by a certification approved by the Environmental Protection
 76 Division of the Department of Natural Resources; and

77 (B) Made only by a taxpayer who is the owner of a new ~~clean fueled~~ plug-in hybrid
 78 electric vehicle or zero emission vehicle, as evidenced by the certificate of title issued
 79 for such vehicle; provided, however, that if a new ~~clean fueled~~ plug-in hybrid electric
 80 vehicle or zero emission vehicle is leased to a taxpayer at retail, the taxpayer who is the
 81 lessee shall be entitled to claim the credit; provided, further, that only one taxpayer
 82 shall be eligible to claim any credit provided by subsection (b) of this Code section;

83 ~~(2) All claims for any credit provided by subsection (c) of this Code section must be~~
 84 ~~accompanied by a certification issued by the Environmental Protection Division of the~~
 85 ~~Department of Natural Resources~~ Reserved;

86 (3) All claims for any credit provided by subsection (d) of this Code section shall be:

87 (A) Accompanied by a certification issued by the seller where the new electric vehicle
 88 charger was purchased or leased; and

89 (B) Made only by a taxpayer who is the ultimate purchaser or lessee of a new electric
 90 vehicle charger at retail;

91 (4) Any credit claimed under this Code section but not used in any taxable year may be
 92 carried forward for five years from the close of the taxable year in which a new ~~clean~~
 93 ~~fueled~~ plug-in hybrid electric vehicle or zero emission vehicle was purchased or leased
 94 ~~or a conventionally fueled vehicle was changed into a converted vehicle~~, provided that
 95 the applicable certification required in paragraph (1) ~~or (2)~~ of this subsection
 96 accompanies any such claim; and

97 (5) In no event shall the amount of any tax credit provided in this Code section exceed
 98 the taxpayer's income tax liability; ~~and~~

99 ~~(6) Tax credits authorized in this Code section shall be granted to a taxpayer who~~
 100 ~~purchased or leased and placed in service in Georgia a new low-emission vehicle or zero~~
 101 ~~emission vehicle, which also is a low-speed vehicle, but only if such low-speed vehicle~~
 102 ~~was placed in service during the taxable year ending December 31, 2001. For purposes~~
 103 ~~of this paragraph, the term 'low-speed vehicle' means a low-speed vehicle as defined in~~
 104 ~~paragraph (25.1) of Code Section 40-1-1. Any claim for such credit must be~~
 105 ~~accompanied by a manufacturer's statement of origin issued to a dealer registered in~~
 106 ~~Georgia which certifies that the low-speed vehicle was manufactured in compliance with~~
 107 ~~those federal motor vehicle safety standards set forth in 49 C.F.R. Section 571.500 and~~
 108 ~~in effect on January 1, 2001, as well as any other documentation deemed necessary by~~
 109 ~~the commissioner to establish the date that delivery was made and such vehicle was~~
 110 ~~placed in service. A taxpayer shall only be eligible to claim such credit with respect to~~
 111 ~~a single low-speed vehicle.~~

112 (f) The state revenue commissioner shall be authorized to adopt rules and regulations to
 113 provide for the administration of any tax credit provided by this Code section.

114 (g) The Board of Natural Resources shall be authorized to adopt rules and regulations to
 115 provide for:

116 (1) The specific standards and requirements for low-emission vehicles, plug-in hybrid
 117 electric vehicles, zero emission vehicles, ~~and converted vehicles~~ and electric vehicle
 118 chargers which shall be consistent with the terms of this Code section;

119 (2) An approved certification form which certifies the purchase or lease of a new ~~clean~~
 120 fueled plug-in hybrid electric vehicle or zero emission vehicle that is qualified for a tax
 121 credit provided by this Code section; and

122 ~~(3) The certification of any converted vehicle that is qualified to claim a tax credit~~
 123 ~~provided by this Code section; and~~

124 ~~(4)~~(3) An approved certification form which shall be issued by the seller which certifies
 125 the purchase or lease of a new electric vehicle charger that is qualified for a tax credit
 126 provided by this Code section."

127 SECTION 2.

128 All laws and parts of laws in conflict with this Act are repealed.