

1 SB527  
2 141025-1  
3 By Senator Ward  
4 RFD: Energy and Natural Resources  
5 First Read: 17-APR-12

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8 SYNOPSIS: This bill would encourage the use of motor  
9 vehicles powered by compressed natural gas,  
10 liquefied natural gas, propane, or electricity by a  
11 series of incentives for the acquisition of such  
12 vehicles and for the installation of refueling  
13 equipment. This bill would also encourage the  
14 in-state production of biodiesel and cellulosic  
15 ethanol.

16 This bill would make legislative findings.

17 This bill would create an incentive for the  
18 in-state production of biodiesel and cellulosic  
19 ethanol, in an amount to be paid quarterly in a  
20 program administered by the Center for Alternative  
21 Fuels within the Department of Agriculture and  
22 Industries. The payments made under this provision  
23 would expire after five years.

24 This bill would limit the liability of  
25 providers of refueling equipment used by certain  
26 alternative fuel vehicles.

1                   This bill would exempt certain alternative  
2 fuel vehicles from the payment of tolls on toll  
3 roads, bridges, and tunnels owned by the Alabama  
4 Toll Road, Bridge, and Tunnel Authority.

5                   This bill would prohibit insurance companies  
6 from imposing a surcharge on certain alternative  
7 fuel vehicles.

8                   This bill would allow the Department of  
9 Transportation to designate certain roads as high  
10 occupancy vehicle (HOV) lanes, subject to federal  
11 limitations, and would allow certain alternative  
12 fuel and other vehicles to use such lanes. This  
13 bill would impose penalties for the unauthorized  
14 use of such lanes.

15                   This bill would provide that no person would  
16 be required to install electric vehicle charging  
17 stations. This bill would provide that providers of  
18 electric vehicle charging stations would not,  
19 merely for that reason, be found to be engaging in  
20 the retail sale of electricity. This bill would  
21 provide that electric suppliers would be permitted  
22 to provide electric vehicle charging stations. This  
23 bill would provide that the Public Service  
24 Commission would have no jurisdiction over the  
25 rates, charges, and fees for electric vehicle  
26 charging stations.

1                   This bill would allow for an income tax  
2                   credit of no more than \$1,500 for certain  
3                   alternative fuel vehicles, limited to 5,000  
4                   vehicles per fuel type. This bill would allow an  
5                   income tax credit for placing in service refueling  
6                   equipment for certain alternative fuel vehicles,  
7                   limited to the lower of 30 percent of the cost of  
8                   such equipment, or dollar limits based on the type  
9                   of fuel. As to both credits, unused credits could  
10                  be carried forward for five years. Both credits  
11                  would expire five years after the effective date of  
12                  the provisions.

13                  This bill would allow the various  
14                  departments, agencies, and centers with  
15                  administrative duties to promulgate regulations to  
16                  implement this bill, would provide for the  
17                  severance of invalid or unconstitutional  
18                  provisions, would repeal any conflicting laws, and  
19                  would provide an effective date.

21                                   A BILL

22                                   TO BE ENTITLED

23                                   AN ACT

24  
25                   To encourage the use of motor vehicles powered by  
26                   compressed natural gas, liquefied natural gas, propane, or

1 electricity by a series of incentives for the acquisition of  
2 such vehicles and for the installation of refueling equipment;  
3 to encourage the in-state production of biodiesel and  
4 cellulosic ethanol; to make legislative findings; to create an  
5 incentive for the in-state production of biodiesel and  
6 cellulosic ethanol, in an amount to be paid quarterly in a  
7 program administered by the Center for Alternative Fuels  
8 within the Department of Agriculture and Industries; to  
9 provide that such payments would expire after five years; to  
10 limit the liability of providers of refueling equipment used  
11 by certain alternative fuel vehicles; to amend Section  
12 23-2-150, Code of Alabama 1975, to exempt certain alternative  
13 fuel vehicles from the payment of tolls on toll roads,  
14 bridges, and tunnels owned by the Alabama Toll Road, Bridge,  
15 and Tunnel Authority; to prohibit insurance companies from  
16 imposing a surcharge on certain alternative fuel vehicles; to  
17 allow the Department of Transportation to designate certain  
18 roads as high occupancy vehicle (HOV) lanes, subject to  
19 federal limitations; to allow certain alternative fuel and  
20 other vehicles to use such lanes; to impose penalties for the  
21 unauthorized use of such lanes; to provide that no person  
22 would be required to install electric vehicle charging  
23 stations; to provide that providers of electric vehicle  
24 charging stations would not, merely for that reason, be found  
25 to be engaging in the retail sale of electricity; to provide  
26 that electric suppliers would be permitted to provide electric

1 vehicle charging stations; to provide that the Public Service  
2 Commission would have no jurisdiction over the rates, charges,  
3 and fees for electric vehicle charging stations; to allow for  
4 an income tax credit of no more than \$1,500 for certain  
5 alternative fuel vehicles, limited to 5,000 vehicles per fuel  
6 type; to allow an income tax credit for placing in service  
7 refueling equipment for certain alternative fuel vehicles,  
8 limited to the lower of 30 percent of the cost of such  
9 equipment, or dollar limits based on the type of fuel; to  
10 provide that, as to both income tax credits, unused credits  
11 could be carried forward for five years; to provide that both  
12 credits would expire five years after the effective date of  
13 the provisions; to allow the various departments, agencies,  
14 and centers with administrative duties to promulgate  
15 regulations to implement this bill; to provide for the  
16 severance of invalid or unconstitutional provisions; to repeal  
17 any conflicting laws; and to provide an effective date.

18 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

19 Section 1. The Legislature makes the following  
20 findings:

21 (1) It is in the best interest of the state to  
22 encourage the use of compressed natural gas, propane, and  
23 electricity to power vehicles within the state.

24 (2) New technologies require monetary and other  
25 incentives for the purchase of such vehicles and the  
26 installation of refueling stations for such vehicles.

1           (3) It is in the best interest of the state to  
2 encourage the production of biodiesel and cellulosic ethanol  
3 in the state, both as an economic development incentive and to  
4 lower the price of those fuels in Alabama.

5           Section 2. A new Chapter 33 is added to Title 2,  
6 Code of Alabama 1975, to read as follows:

7           §2-33-1.

8           As used in this chapter, the following terms shall  
9 have the following meanings:

10           (1) BIODIESEL. A diesel fuel substitute for motor  
11 vehicle fuel which is derived from non-petroleum renewable  
12 resources and any blending components derived from  
13 non-petroleum renewable resources, provided that only the  
14 renewable fuel portion of any such blending component shall be  
15 considered part of the applicable volume, and further provided  
16 that the fuel meets the appropriate American Society of  
17 Testing and Materials Standards (ASTM).

18           (2) BIODIESEL PAYMENT AMOUNT. For any given quarter,  
19 nine hundred thousand dollars (\$900,000).

20           (3) CELLULOSIC ETHANOL. An ethanol fuel for motor  
21 vehicle fuel which is derived from lignocellulosic,  
22 hemicellulosic, or cellulosic matter that is available on a  
23 renewable or recurring basis, provided that the fuel meets the  
24 appropriate American Society of Testing and Materials  
25 Standards (ASTM).

1                   (4) CELLULOSIC ETHANOL PAYMENT AMOUNT. For any given  
2 quarter, one million two hundred fifty thousand dollars  
3 (\$1,250,000), less the amount actually paid during the  
4 immediately preceding quarter pursuant to Section  
5 2-33-2 (b) (8) .

6                   (5) CENTER. The Center for Alternative Fuels, as  
7 established within the Department of Agriculture and  
8 Industries by Article 5, commencing with Section 2-2-90, of  
9 Chapter 2 of this title.

10                   (6) COMMERCIAL PRODUCER. A person who has the  
11 capacity to produce at least 10 million gallons per year of  
12 biodiesel or cellulosic ethanol at a facility in Alabama and  
13 who has made capital improvements or investments in such  
14 facility totaling at least ten million dollars (\$10,000,000)  
15 within the past 120 months of the beginning of any given  
16 quarter for which the person intends to apply for a payment.

17                   (7) PERSON. The meaning ascribed to such term in  
18 Section 40-18-1.

19                   (8) QUARTERS. Those three-month periods beginning on  
20 the first day of January, April, July, and October.

21                   §2-33-2.

22                   (a) The center is authorized to make quarterly  
23 payments to commercial producers for the production of  
24 biodiesel or cellulosic ethanol in Alabama as provided in this  
25 section.



1           (b) (1) Each commercial producer of biodiesel who  
2 wishes to receive payments under this section shall file an  
3 application with the center, on a form prescribed by the  
4 center, showing the number of gallons of Alabama biodiesel  
5 which the commercial producer expects in good faith to sell in  
6 the upcoming quarter. The applications required by this  
7 subdivision shall be due at the center on the fifteenth day of  
8 December, March, June, and July for the respective quarters  
9 beginning on the first day of January, April, July, and  
10 October.

11           (2) Following the due date for applications provided  
12 in subdivision (1), the center shall divide the biodiesel  
13 payment amount by the aggregate number of gallons of Alabama  
14 biodiesel which was shown on all of the applications timely  
15 filed pursuant to subdivision (1).

16           (3) The minimum amount which shall be paid for each  
17 gallon of biodiesel produced by each commercial producer who  
18 timely filed an application pursuant to subdivision (1) shall  
19 be the lesser of twenty cents (\$0.20) per gallon, or the  
20 amount determined in subdivision (2).

21           (4) The center shall post on its website the amount  
22 determined in subdivision (3), a list of the commercial  
23 producers who filed applications pursuant to subdivision (1),  
24 and the gallons of Alabama biodiesel each commercial producer  
25 expects in good faith to sell in the quarter.

1           (5) Following the close of a quarter, each  
2 commercial producer of biodiesel who timely filed an  
3 application pursuant to subdivision (1) shall file a report  
4 with the center, on a form prescribed by the center, showing  
5 the number of gallons of Alabama biodiesel which the  
6 commercial producer actually sold in the quarter. No  
7 commercial producer shall report any sales which exceed the  
8 number of gallons of biodiesel reported by the commercial  
9 producer on the application filed pursuant to subdivision (1).  
10 The reports prescribed by this subdivision shall be due at the  
11 center on the fifteenth day of April, July, October, and  
12 January for the respective quarters beginning on the first day  
13 of January, April, July, and October.

14           (6) Following the due date for the reports provided  
15 in subdivision (5), the center shall divide the biodiesel  
16 payment amount by the aggregate number of gallons of biodiesel  
17 which was shown on all of the reports properly filed pursuant  
18 to subdivision (5).

19           (7) The amount which shall actually be paid for each  
20 gallon of biodiesel sold by each commercial producer who  
21 timely filed a report pursuant to subdivision (5) shall be the  
22 lesser of twenty cents (\$0.20) per gallon, or the amount  
23 determined in subdivision (6).

24           (8) The center shall post on its website the amount  
25 determined in subdivision (7), a list of the commercial  
26 producers who timely filed reports pursuant to subdivision

1 (5), the gallons of Alabama biodiesel they actually sold, and  
2 the amount to be paid to each commercial producer. The center  
3 shall make the payments to the commercial producers of  
4 biodiesel by the last day of April, July, October, and January  
5 for the respective quarters beginning on the first day of  
6 January, April, July, and October.

7 (9) No commercial producer shall receive any payment  
8 for biodiesel which is not produced in Alabama by the  
9 commercial producer, which is sold to a person related to the  
10 commercial producer, or which is sold for use outside the  
11 United States.

12 (c) (1) Each commercial producer of cellulosic  
13 ethanol who wishes to receive payments under this section  
14 shall file a report with the center, on a form prescribed by  
15 the center, showing the number of gallons of Alabama  
16 cellulosic ethanol which the commercial producer actually sold  
17 in the quarter. The reports prescribed by this subdivision  
18 shall be due at the center on the fifteenth day of April,  
19 July, October, and January for the respective quarters  
20 beginning on the first day of January, April, July, and  
21 October.

22 (2) The center shall divide the cellulosic ethanol  
23 payment amount by the aggregate number of gallons of  
24 cellulosic ethanol which was shown on all of the reports  
25 timely filed pursuant to subdivision (1).

1           (3) The amount which shall actually be paid for each  
2 gallon of cellulosic ethanol sold by each commercial producer  
3 who timely filed a report pursuant to subdivision (1) shall be  
4 the amount determined in subdivision (2).

5           (4) The center shall post on its website the amount  
6 determined in subdivision (3), a list of the commercial  
7 producers who timely filed reports pursuant to subdivision  
8 (1), the gallons of Alabama cellulosic ethanol they actually  
9 sold, and the amount to be paid to each commercial producer.  
10 The center shall make the payments to the commercial producers  
11 of cellulosic ethanol by the last day of April, July, October,  
12 and January for the respective quarters beginning on the first  
13 day of January, April, July, and October.

14           (5) No commercial producer shall receive any payment  
15 amount for cellulosic ethanol which is not produced in Alabama  
16 by the commercial producer, which is sold to a person related  
17 to the commercial producer, or which is sold for use outside  
18 the United States.

19           (d) A commercial producer who submits an application  
20 pursuant to this section for any given quarter is under no  
21 obligation to submit an application pursuant to this section  
22 for any other quarter.

23           (e) The payments provided for in this chapter are  
24 available only during the five-year period beginning on the  
25 effective date of this chapter.

1           Section 3. A new Section 6-5-345 is added to Article  
2 18, commencing with Section 6-5-330, of Chapter 5 of Title 6,  
3 Code of Alabama 1975, to read as follows:

4           §6-5-345.

5           Notwithstanding any provision of law to the  
6 contrary, no person who provides refueling equipment for  
7 permitted vehicles, as such terms are defined in Section  
8 40-18-301, whether with or without cost, shall be subject to  
9 civil liability or criminal prosecution as a result of his or  
10 her acts or omissions arising out of the provision of such  
11 equipment, so long as such equipment complied with any  
12 building codes applicable to the installation of such  
13 equipment.

14           Section 4. Section 23-2-150, Code of Alabama 1975,  
15 is amended to read as follows:

16           "§23-2-150.

17           "The authority is hereby authorized to fix, revise,  
18 charge, and collect tolls for the use of each toll road,  
19 bridge or tunnel project and the different parts or sections  
20 thereof, and to contract with, or to lease to or from, any  
21 person, partnership, association or corporation desiring the  
22 use of any part thereof, including the right-of-way adjoining  
23 the paved portion of approaches and access highways, streets  
24 or roads for placing thereon telephone, telegraph, electric  
25 light or power lines or pipe lines for gas and water or for  
26 petroleum products or for any other purpose except for tracks

1 for railroad or railway use and to fix the terms, conditions,  
2 rents, and rates of charges for such use. Tolls shall be so  
3 fixed and adjusted as to carry out and perform the terms and  
4 provisions of any contract with or for the benefit of  
5 bondholders. Tolls shall not be subject to supervision or  
6 regulation by any other commission, board, bureau or agency of  
7 the state. The use and disposition of tolls and revenues shall  
8 be subject to the provisions of the resolution authorizing the  
9 issuance of such bonds or of the trust agreement securing the  
10 bond issue. Notwithstanding any provision in this article, the  
11 authority shall not charge a toll for any vehicle which bears  
12 the decal provided for by Section 32-5A-340; provided,  
13 however, that this exemption shall apply to a toll road,  
14 bridge, or tunnel project in service as of the effective date  
15 of the act adding this amendatory language only upon the  
16 retirement or refunding of the bonded indebtedness outstanding  
17 on the effective date of the act adding this amendatory  
18 language."

19 Section 5. A new Article 6 is added to Chapter 13 of  
20 Title 27, Code of Alabama 1975, to read as follows:

21 §27-13-150.

22 (a) As used in this section, the term "permitted  
23 vehicle" shall have the meaning given by Section 40-18-301.

24 (b) Any rates, rating schedules, or rating manuals  
25 submitted to or filed with the Commissioner of the Department  
26 of Insurance for private passenger automobile liability

1 insurance and private passenger automobile physical damage  
2 insurance shall not include a surcharge on the premium for  
3 such insurance written on a permitted vehicle.

4 Section 6. A new Article 16 is added to Chapter 5A  
5 of Title 32, Code of Alabama 1975, to read as follows:

6 §32-5A-350.

7 (a) As used in this section, "HOV lane" shall mean a  
8 lane of a public roadway designated as a high occupancy  
9 vehicle lane by the Department of Transportation.

10 (b) The Department of Transportation may designate  
11 any travel lane on any road in the state highway system as an  
12 HOV lane; provided, however, that where such designation has  
13 been made, the road shall be appropriately marked with traffic  
14 signs or other roadway markers or markings to inform the  
15 traveling public of the existence of such HOV lane and of the  
16 restrictions imposed.

17 (c) The Department of Transportation, by regulation,  
18 may determine the types of vehicles that are allowed to use  
19 HOV lanes because of the reduced emissions of the vehicles or  
20 because of the type of fuel used to power the vehicles;  
21 provided that such regulations shall comply with 23 U.S.C.  
22 Section 166 and the regulations promulgated thereunder. In  
23 furtherance thereof, the following shall be applicable:

24 (1) The Department of Transportation shall issue a  
25 decal and registration certificate, to be renewed annually,  
26 reflecting the HOV lane designation on such vehicles and may

1 charge a fee, as determined by regulation, which shall not  
2 exceed the costs of designing, producing, and distributing  
3 each decal, or five dollars (\$5), whichever is less.

4 (2) In promulgating such regulations, the Department  
5 of Transportation shall encourage, to the full extent allowed  
6 by federal law, the use of low emission and energy efficient  
7 vehicles and inherently low emission vehicles.

8 (d) Except as provided in subsection (e), no person  
9 may operate a vehicle in an HOV lane if the vehicle is  
10 occupied by fewer than the number of occupants indicated by a  
11 traffic sign or other roadway marker or marking.

12 (e) As to vehicles which are allowed to be operated  
13 in an HOV lane pursuant to subsection (c), no person may  
14 operate such a vehicle in an HOV lane if the vehicle fails to  
15 display the decal required by subsection (c).

16 (f) The Department of Transportation may issue  
17 regulations to implement this article. The Department of  
18 Transportation shall finalize the regulations provided in  
19 subsection (c), and shall make available the decals provided  
20 in subsection (c) within 180 days of the effective date of  
21 this article; provided, however, that this sentence shall not  
22 prevent the Department of Transportation from thereafter  
23 making amendments to such regulations.

24 Section 7. A new Article 7 is added to Chapter 4,  
25 Title 37, Code of Alabama 1975, to read as follows:

26 §37-4-160.



1 (a) For purposes of this article, the following  
2 terms shall have the following meanings:

3 (1) COMMISSION. The Public Service Commission  
4 established by this title.

5 (2) ELECTRIC SUPPLIER. Any municipality, municipally  
6 owned utility or other governmental entity, any cooperative,  
7 corporation, person, firm, association, or other entity  
8 engaged in the business of supplying electric service at  
9 retail.

10 (3) ELECTRIC VEHICLE. A motor vehicle with at least  
11 four wheels which:

12 a. Is manufactured primarily for use on public  
13 streets, roads, and highways.

14 b. Is rated at not more than 26,000 pounds unloaded  
15 gross vehicle weight.

16 c. Is propelled to a significant extent by an  
17 electric motor which draws electricity from a battery which  
18 has a capacity of not less than four kilowatt hours and is  
19 capable of being recharged from an external source of  
20 electricity.

21 (4) ELECTRIC VEHICLE CHARGING STATION. Equipment  
22 which supplies electricity for the recharging of electric  
23 vehicles, including an electric vehicle charging station, an  
24 electric recharging point, a charging point, electric vehicle  
25 supply equipment, or electric vehicle charging equipment.

1           (b) The installation of electric vehicle charging  
2 stations is voluntary. No business entity, corporation,  
3 individual, municipality, county, public utility, or other  
4 person shall be required or mandated to install an electric  
5 vehicle charging station.

6           (c) (1) The provision of electricity from an electric  
7 vehicle charging station by a person who is not an electric  
8 supplier shall not constitute the retail sale of electricity  
9 if:

10           a. The electric vehicle charging station is capable  
11 of being used solely for recharging an electric vehicle.

12           b. The person providing the electric vehicle  
13 charging station has procured the furnished electricity  
14 lawfully.

15           c. The person providing the electric vehicle  
16 charging station determines the amount charged for the use of  
17 the station by some measure other than the amount of  
18 electricity consumed.

19           (2) The provision of an electric vehicle charging  
20 station by an electric supplier:

21           a. Shall be a permitted electric utility activity.

22           b. Shall not affect the utility status of the  
23 electric supplier or otherwise bestow utility status on such  
24 supplier.

1 (d) The commission shall have no jurisdiction over  
2 the rates, charges, and fees for the provision of an electric  
3 vehicle charging service.

4 Section 8. A new Article 12 is added to Chapter 18  
5 of Title 40, Code of Alabama 1975, to read as follows:

6 §40-18-310.

7 (a) As used in this section, the following terms  
8 shall have the following meanings:

9 (1) INCOME TAX. The tax levied in Article 1 of this  
10 chapter.

11 (2) MANUFACTURER. The term has the meaning given in  
12 regulations prescribed by the Administrator of the United  
13 States Environmental Protection Agency for purposes of the  
14 administration of Title II of the Clean Air Act (42 U.S.C. §§  
15 7521 et seq.).

16 (3) MODIFIED VEHICLE. A motor vehicle with at least  
17 four wheels which:

18 a. Was manufactured primarily for use on public  
19 streets, roads, and highways.

20 b. Is owned by the taxpayer.

21 c. Is registered in this state.

22 d. On or after October 1, 2012, is modified by the  
23 installation of equipment which is certified by the U.S.  
24 Environmental Protection Agency so that the vehicle is  
25 propelled to a significant extent by a specified engine.

1           (4) QUALIFIED VEHICLE. A motor vehicle with at least  
2 four wheels which:

3           a. Is manufactured by a manufacturer.

4           b. Is manufactured primarily for use on public  
5 streets, roads, and highways.

6           c. Has not been modified from original manufacturer  
7 specifications.

8           d. Has an original use commencing with the taxpayer.

9           e. Is acquired by the taxpayer on or after October  
10 1, 2012.

11          f. Is acquired for use or lease by the taxpayer and  
12 not for resale.

13          g. Is acquired in this state from a seller who has  
14 previously registered for participation herein with the  
15 department.

16          h. Is acquired for registration in this state.

17          i. Is propelled to a significant extent by a  
18 specified engine.

19           (5) SPECIFIED ENGINE. Any one of the following:

20          a. A motor powered by compressed natural gas.

21          b. A motor powered by liquefied natural gas.

22          c. A motor powered by liquefied petroleum gas.

23          d. A motor which draws electricity from a battery  
24 which has a capacity of not less than four kilowatt hours and  
25 is capable of being recharged from an external source of  
26 electricity.

1 (b) A nonrefundable credit against income tax shall  
2 be allowed for the acquisition of a qualified vehicle or the  
3 placing in service of a modified vehicle. As to qualified  
4 vehicles, the credit allowed under this section shall equal  
5 the lesser of 100 percent of the cost of the qualified  
6 vehicle, or one thousand five hundred dollars (\$1,500). As to  
7 modified vehicles, the credit allowed under this section shall  
8 equal the lesser of 100 percent of the cost of the  
9 modifications, or one thousand five hundred dollars (\$1,500).

10 (c) Upon the acquisition of a qualified vehicle, the  
11 taxpayer shall be provided with a certificate from the seller  
12 certifying that the vehicle is eligible for the credit  
13 provided in this section. A copy of such certificate shall be  
14 submitted by the taxpayer to the department with the return on  
15 which the taxpayer claims such credit. On the same day as the  
16 acquisition, the seller shall submit to the department a copy  
17 of such certificate. Such certificate shall be of a form  
18 approved by the department. The department, by regulation,  
19 shall implement a system for the receipt of certificates as to  
20 modified vehicles.

21 (d) Within 10 days of the receipt of 5,000  
22 certificates for qualified vehicles or modified vehicles using  
23 any one type of specified engine, the department shall notify  
24 all sellers that, effective on the following day, the credit  
25 provided by this section shall no longer be available for  
26 qualified vehicles or modified vehicles using such type of

1 specified engine, and the department shall accept no  
2 additional certificates as to such type of specified engine,  
3 but shall continue to accept certificates for any other  
4 unexpired types of specified engines. Any seller which  
5 thereafter issues certificates as to such manufacturer shall  
6 be guilty of submitting a fraudulent return and shall be  
7 liable to the taxpayer for the amount of the tax credit, plus  
8 punitive damages. The department, by regulation, shall  
9 implement a system for notifications as to modified vehicles.

10 (e) Should the credit allowed by this section exceed  
11 the amount of income tax otherwise owed, the taxpayer may  
12 carry the credit forward to each of the five years following  
13 the tax year that the credit was originally to be allowed.  
14 Various credits carried forward are considered to be applied  
15 in the order of the tax years for which such credits were  
16 first allowed, beginning with the credit for the earliest tax  
17 year.

18 (f) Except as provided in subsection (e), the credit  
19 provided for in this section shall be allowed only during the  
20 five-year period beginning on the effective date of this  
21 article.

22 (g) The department may promulgate regulations for  
23 the administration of this article.

24 §40-18-301.

25 (a) As used in this section, the following terms  
26 shall have the following meanings:

1                   (1) INCOME TAX. The tax levied in Article 1 of this  
2 chapter.

3                   (2) PERMITTED VEHICLE. A motor vehicle with at least  
4 four wheels which:

5                   a. Is manufactured primarily for use on public  
6 streets, roads, and highways.

7                   b. Is propelled to a significant extent by one of  
8 the following:

9                   1. A motor powered by compressed natural gas,  
10 liquefied natural gas, or liquefied petroleum gas.

11                   2. A motor which draws electricity from a battery  
12 which has a capacity of not less than four kilowatt hours and  
13 is capable of being recharged from an external source of  
14 electricity.

15                   (3) REFUELING EQUIPMENT. Equipment which supplies  
16 fuel or electricity for the refueling or recharging of  
17 permitted vehicles.

18                   (b) A nonrefundable credit against income tax shall  
19 be allowed for the placement in service of refueling  
20 equipment, the original use of which commences with the  
21 taxpayer. The credit allowed under this section shall equal  
22 the lesser of 30 percent of the cost of the refueling  
23 equipment or the following:

24                   (1) For refueling equipment for compressed natural  
25 gas, five thousand dollars (\$5,000).

1           (2) For refueling equipment for liquefied petroleum  
2 gas, two thousand dollars (\$2,000).

3           (3) For refueling equipment for electricity, five  
4 hundred dollars (\$500).

5           (c) Should the credit allowed by this section exceed  
6 the amount of income tax otherwise owed, the taxpayer may  
7 carry the credit forward to each of the five years following  
8 the tax year that the credit was originally to be allowed.  
9 Various credits carried forward are considered to be applied  
10 in the order of the tax years for which such credits were  
11 first allowed, beginning with the credit for the earliest tax  
12 year.

13           (d) Except as provided in subsection (c), the credit  
14 provided for in this section shall be allowed only during the  
15 five-year period beginning on the effective date of this  
16 article.

17           (e) The department may promulgate regulations for  
18 the administration of this article.

19           Section 9. Regulations may be promulgated to  
20 implement this act.

21           Section 10. If a court of competent jurisdiction  
22 adjudges or declares any clause, sentence, paragraph, section,  
23 or part of this act invalid or unconstitutional, such judgment  
24 or decree shall not affect, impair, invalidate, or nullify the  
25 remainder of this act, but the effect of the decision shall be  
26 confined to the clause, sentence, paragraph, section, or part



1 of this act adjudged or declared to be invalid or  
2 unconstitutional.

3 Section 11. All laws or parts of laws which conflict  
4 with this act are repealed.

5 Section 12. Section 2 of this act shall take effect  
6 on October 1, 2012. Sections 5 and 8 of this act shall take  
7 effect on the first day of the second full month following  
8 this act's passage and approval by the Governor, or upon its  
9 otherwise becoming law. All other sections of this act shall  
10 become effective immediately upon its passage and approval by  
11 the Governor, or upon its otherwise becoming law.