

1 SB58  
2 137070-2  
3 By Senators Ward and Whatley  
4 RFD: Finance and Taxation Education  
5 First Read: 05-FEB-13  
6 PFD: 01/24/2013

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8 SYNOPSIS: This bill would provide tax credit  
9 incentives for the conversion of motor vehicles for  
10 compressed natural gas (CNG) use and the  
11 incremental costs of purchasing CNG powered motor  
12 vehicles.

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14 A BILL  
15 TO BE ENTITLED  
16 AN ACT

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18 Relating to incentives for the use of motor vehicles  
19 powered by compressed natural gas (CNG); to provide state  
20 income tax credits for the costs of conversion of motor  
21 vehicles or incremental costs of purchasing CNG powered motor  
22 vehicles.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. (a) The following state income tax  
25 credits shall apply for tax years 2012 to 2017, inclusive,  
26 relating to motor vehicles using compressed natural gas (CNG)  
27 fuel:

1                   (1) Up to 75 percent of the incremental cost of  
2 purchasing a motor vehicle powered by CNG over the cost of  
3 purchasing a non-CNG powered vehicle.

4                   (2) Up to 75 percent of the costs of converting a  
5 motor vehicle for CNG fuel usage.

6                   (b) The income tax credits allowed in this section  
7 shall be applied against an Alabama taxpayer's income on a  
8 dollar-for-dollar basis up to the maximum amount authorized.

9                   (c) Tax credits provided in this section may be  
10 carried forward from the tax year the credit is sought for an  
11 additional period of 10 tax years.

12                   (d) The Department of Revenue may adopt rules  
13 regarding the implementation and administration of this  
14 section.

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