

HOUSE RESEARCH

Bill Summary

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Version: As introduced

Authors: Cornish and others

Subject: Income tax credit for converting a vehicle to use alternative fuels

Analyst: Nina Manzi (651) 296-5204
Joel Michael (651) 296-5057
Matt Burress (651) 296-5045

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Overview

Allows a nonrefundable credit with a one-year carryover of up to \$500 (\$1,000 for vehicles over 10,000 pounds) for costs incurred by business owners of converting a vehicle to use alternative fuels.

Section

1 Alternative fuel vehicle conversion credit. Allows a nonrefundable credit equal to 50 percent of the costs of converting a vehicle to use alternative fuels. Restricts the credit to vehicles used in a taxpayer's trade or business. Sets the maximum credit at \$500 for vehicles weighing less than 10,000 pounds, and \$1,000 for vehicles weighing 10,000 pounds or more. Defines alternative fuels by reference to include:

- natural gas
- liquefied petroleum gas
- hydrogen
- coal-derived liquefied fuels
- electricity

Section

- methanol, denatured ethanol, and other alcohols, and
- other fuels as provided in regulation by the US Secretary of Energy under the National Energy Policy Act of 1992

Provides for unused credit amounts to be carried-forward for one year.

Effective for expenses incurred after June 30, 2007.