MISSISSIPPI LEGISLATURE REGULAR SESSION 2021

By: Representative Steverson

To: Ways and Means

# HOUSE BILL NO. 1049

AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR A PERCENTAGE OF THE COST OF INSTALLING NEW ALTERNATIVE FUELING INFRASTRUCTURE FOR CERTAIN ALTERNATIVE FUELS; TO PROVIDE AN INCOME TAX CREDIT FOR A PERCENTAGE OF THE COST OF INSTALLING A RESIDENTIAL COMPRESSED NATURAL GAS FUELING SYSTEM; TO DEFINE CERTAIN TERMS USED IN THE ACT; TO PRESCRIBE THE MAXIMUM AMOUNT OF THE ONE-TIME CREDIT, BASED ON THE TYPE OF QUALIFIED CLEAN-BURNING MOTOR VEHICLE FUEL PROPERTY, WHICH MAY BE CLAIMED IN A TAXABLE YEAR; TO PROVIDE THAT ANY UNUSED PORTION OF THE CREDIT MAY BE CARRIED FORWARD FOR THE SUCCEEDING FIVE TAX YEARS; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

**SECTION 1.** (1) As used in this section, the following words and phrases have the meanings ascribed in this subsection unless the context clearly indicates otherwise:

(a) "Qualified clean-burning motor vehicle fuel property" means any one (1) of the following:

(i) Equipment installed to modify a motor vehicle that is propelled by gasoline or diesel fuel so that the vehicle may be propelled by compressed natural gas, liquefied natural gas, liquefied petroleum gas or propane gas. The equipment covered by this subparagraph (i) must:

1. Be new, not have been used previously to modify or retrofit any vehicle propelled by gasoline or diesel fuel and have been installed by an alternative fuels equipment technician who is certified in accordance with the Alternative Fuels Technician Certification Act,

2. Meet all Federal Motor Vehicle Safety Standards set forth in 49 CFR 571, or

3. For any commercial motor vehicle (CMV), follow the Federal Motor Carrier Safety Regulations or similar applicable Mississippi regulations;

(ii) A motor vehicle originally equipped so that the vehicle may be propelled by compressed natural gas, liquefied natural gas, liquefied petroleum gas or propane gas, but only to the extent of the portion of the basis of the motor vehicle which is attributable to the storage of such fuel, the delivery to the engine of the motor vehicle of such fuel, and the exhaust of gases from combustion of such fuel;

(iii) Property, not including a building and its structural components, which is either:

1. Related directly to the delivery of compressed natural gas, liquefied natural gas or liquefied petroleum gas for commercial purposes or for a fee or charge, into the fuel tank of a motor vehicle propelled by such fuel, including compression equipment and storage tanks for such fuel at the point where the fuel is delivered, but only if the property is not used

to deliver such fuel into any other type of storage tank or receptacle and the fuel is not used for any purpose other than to propel a motor vehicle; or

2. A metered-for-fee, public access recharging system for motor vehicles propelled, in whole or in part, by electricity. The property covered by this item 2 must be new and must not have been installed previously or used previously to refuel vehicles powered by compressed natural gas, liquefied natural gas, liquefied petroleum gas, propane gas or electricity; or

(iv) Property that is related directly to the compression and delivery of natural gas from a private home or residence, for noncommercial purposes, into the fuel tank of a motor vehicle propelled by compressed natural gas. The property covered by this subparagraph (iv) must be new and must not have been installed previously or used previously to refuel vehicles powered by natural gas.

(b) "Motor vehicle" means a motor vehicle originally designed by the manufacturer to operate lawfully and principally on streets and highways.

(2) There shall be allowed a one-time credit against the income tax imposed by this chapter for investments in qualified clean-burning motor vehicle fuel property.

(3) The credit provided for in subsection (2) of this section shall be as follows:

(a) For the qualified clean-burning motor vehicle fuel property defined in paragraph (a)(i) or (a)(ii) of subsection (1) of this section, fifty percent (50%) of the cost of the qualified clean-burning motor vehicle fuel property.

(b) For qualified clean-burning motor vehicle fuel property defined in paragraph (a)(iii) of subsection (1) of this section, a per-location credit of seventy-five percent (75%) of the cost of the qualified clean-burning motor vehicle fuel property.

(c) For qualified clean-burning motor vehicle fuel property defined in paragraph (a)(iv) of subsection (1) of this section, a per-location credit of the lesser of fifty percent (50%) of the cost of the qualified clean-burning motor vehicle fuel property or Two Thousand Five Hundred Dollars ($2,500.00).

(4) In cases where no credit has been claimed under subsection (3)(a) of this section by any prior owner and in which a motor vehicle is purchased by a taxpayer with qualified clean-burning motor vehicle fuel property installed by the manufacturer of the motor vehicle and the taxpayer is unable or elects not to determine the exact basis that is attributable to such property, the taxpayer may claim a credit in an amount not exceeding the lesser of ten percent (10%) of the cost of the motor vehicle or Two Thousand Five Hundred Dollars ($2,500.00).

(5) If the tax credit allowed under subsection (2) of this section exceeds the amount of income taxes due or if there are no

state income taxes due on the income of the taxpayer, the amount of the credit not used as an offset against the income taxes of a taxable year may be carried forward as a credit against subsequent income tax liability for a period not to exceed five (5) years.

(6) A husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim only one-half (1/2) of the tax credit that would have been allowed for a joint return.

(7) The Department of Revenue is empowered to promulgate rules by which the purpose of this section shall be administered, including the power to establish and enforce penalties for violations of this section.

**SECTION 2.** Section 1 of this act shall be codified as a new section in Title 27, Chapter 7, Mississippi Code of 1972.

**SECTION 3.** Nothing in this act shall affect or defeat any claim, assessment, appeal, suit, right or cause of action for taxes due or accrued under the income tax laws before the date on which this act becomes effective, whether such claims, assessments, appeals, suits or actions have been begun before the date on which this act becomes effective or are begun thereafter; and the provisions of the income tax laws are expressly continued in full force, effect and operation for the purpose of the assessment, collection and enrollment of liens for any taxes due or accrued and the execution of any warrant under such laws before the date on which this act becomes effective, and for the

imposition of any penalties, forfeitures or claims for failure to comply with such laws.

**SECTION 4.** This act shall take effect and be in force from and after July 1, 2021.



ST: Income tax; authorize tax credit for cost of qualified clean-burning motor vehicle fuel property.