

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009
4

A Bill

HOUSE BILL 1836

5 By: Representative Reynolds
6
7

For An Act To Be Entitled

9 AN ACT TO PROVIDE VARIOUS TAX CREDITS AS
10 INCENTIVES FOR THE DEVELOPMENT OF COMPRESSED
11 NATURAL GAS, LIQUEFIED NATURAL GAS, AND LIQUEFIED
12 PETROLEUM GAS; AND FOR OTHER PURPOSES.
13

Subtitle

14 THE CLEAN FUELS INCENTIVE ACT.
15
16
17

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
19

20 SECTION 1. Arkansas Code Title 26, Chapter 51, is amended to add an
21 additional subchapter to read as follows:

22 26-51-2201. Title.

23 This subchapter shall be known and may be cited as the "Clean Fuels
24 Incentive Act".
25

26 26-51-2202. Definitions.

27 As used in this subchapter:

28 (1) "Gas fuel" means compressed natural gas, liquefied natural gas, or
29 liquefied petroleum gas;

30 (2) "Motor vehicle" means a vehicle that requires a license for use on
31 a state highway; and

32 (3) "Qualified clean-burning motor vehicle fuel property" means:

33 (A)(i) Equipment installed in a motor vehicle propelled by
34 gasoline or diesel fuel to enable the motor vehicle to be propelled by a gas
35 fuel.

36 (ii) The equipment described in subdivision (3)(A) of this



1 section shall not have been used previously to modify or retrofit a motor
 2 vehicle propelled by gasoline or diesel fuel;

3 (B) That portion of the basis of a motor vehicle originally
 4 equipped to be propelled by a gas fuel that is attributable to the storage of
 5 a gas fuel, the delivery to the engine of the motor vehicle of a gas fuel,
 6 and the exhaust of gases from combustion of a gas fuel;

7 (C)(i) Property that is necessary for the delivery of a gas fuel
 8 into the fuel tank of a motor vehicle propelled by a gas fuel and which has
 9 not been used previously to refuel a motor vehicle powered by a gas fuel.

10 (ii) The property described in subdivision (3)(C)(i) of
 11 this section includes without limitation compression equipment and storage
 12 equipment for gas fuel at the point where gas fuel is delivered if:

13 (a) The property is not used to deliver a gas fuel
 14 into another type of storage tank or storage receptacle; and

15 (b) The stored gas fuel is not used for any purpose
 16 other than to propel a motor vehicle; and

17 (D) Property that:

18 (i) Is necessary for the compression and delivery of
 19 natural gas from a private home or residence for noncommercial purposes into
 20 the fuel tank of a motor vehicle propelled by compressed natural gas; and

21 (ii) Has not been previously installed or used to refuel a
 22 motor vehicle powered by natural gas.

23
 24 26-51-2203. Tax credit.

25 (a) A tax credit against the income tax imposed by the Income Tax Act
 26 of 1929, § 26-51-101 et seq., is allowed in an amount as determined under
 27 subsection (b) of this section.

28 (b) The amount of the tax credit allowed under subsection (a) of this
 29 section shall be:

30 (1)(A) Fifty percent (50%) of the cost of a qualified clean-
 31 burning motor vehicle fuel property defined in § 26-51-2202(3)(A) or § 26-51-
 32 2202(3)(B).

33 (B) However, the credit under subdivision (b)(1) of this
 34 section shall not exceed:

35 (i) Six thousand dollars (\$6,000) for a motor
 36 vehicle that has a manufacturer's gross vehicle weight rating of eight

1 thousand five hundred pounds (8,500 lbs.) or less;

2 (ii) Eight thousand dollars (\$8,000) for a motor
3 vehicle that has a manufacturer's gross vehicle weight rating that is more
4 than eight thousand five hundred pounds (8,500 lbs.) but less than twenty-six
5 thousand and one pounds (26,001 lbs.); or

6 (iii) Fifteen thousand dollars (\$15,000) for a motor
7 vehicle that has a manufacturer's gross vehicle weight rating of more than
8 twenty-six thousand and one pounds (26,001 lbs.);

9 (2) The lesser of fifty percent (50%) of the cost of a qualified
10 clean-burning motor vehicle fuel property defined in § 26-51-2202(3)(C) or
11 two hundred thousand dollars (\$200,000); or

12 (3) The lesser of fifty percent (50%) of the cost of a qualified
13 clean-burning motor vehicle fuel property defined in § 26-51-2202(3)(D) or
14 two thousand five hundred dollars (\$2,500).

15 (c) The costs of service contracts, sales tax, or acquisition of
16 undeveloped land shall not be included in the determination of the amount of
17 the tax credit allowed under subsection (a) of this section.

18 (d) The tax credit allowed under subsection (a) of this section:

19 (1) Does not apply if any entity is sold and that entity is
20 entitled to a tax credit under this subchapter; and

21 (2) May be carried forward for a period not to exceed seven (7)
22 tax years.

23
24 26-51-2204. Rules.

25 The Department of Finance and Administration shall promulgate rules for
26 the implementation of this act.

27
28 SECTION 2. This act is effective for tax years beginning on or after
29 January 1, 2009.