

HCS HB 1092 -- TAX DEDUCTION FOR HYBRID VEHICLES

SPONSOR: Bivins (Sater)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Energy and Environment by a vote of 7 to 0.

This substitute authorizes an individual income tax deduction, for tax years beginning on or after January 1, 2006, for a qualified hybrid vehicle that is powered by a combination of an electric motor and gasoline engine. The deduction is limited to the lesser of 10% of the purchase price of the vehicle or \$1,500.

The provisions of the substitute will expire six years from the effective date.

FISCAL NOTE: Estimated Cost on General Revenue Fund of More than \$136,802 in FY 2007, More than \$135,331 in FY 2008, and More than \$136,217 in FY 2009. No impact on Other State Funds in FY 2007, FY 2008, and FY 2009.

PROPONENTS: Supporters say that the bill will provide an incentive to purchase hybrid vehicles which get better gas mileage and have lower emission levels than regular vehicles. The bill will increase the tax base and thereby result in a net gain of revenue. Manufacturing operations will benefit, and our dependence on foreign oil will be reduced.

Testifying for the bill were Representative Sater; Ford Motor Company, Claycomo; United Autoworkers, Local 710; Clean Cities; and Sierra Club.

OPPONENTS: There was no opposition voiced to the committee.

Jason Glahn, Legislative Analyst