

FIRST REGULAR SESSION

HOUSE BILL NO. 725

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES STEVENSON (Sponsor), LOEHNER, MUNZLINGER,
RUZICKA, BAKER (25), COX AND FISHER (Co-sponsors).

Read 1st time February 1, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

0865L.011

AN ACT

To amend chapters 135 and 414, RSMo, by adding thereto three new sections relating to the sale of alternative fueled vehicles.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapters 135 and 414, RSMo, are amended by adding thereto three new sections, to be known as sections 135.170, 135.175, and 414.345, to read as follows:

135.170. 1. As used in this section, the following terms mean:

(1) "Tax credit", a credit against the tax otherwise due under chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or otherwise due under chapter 147, 148, or 153, RSMo;

(2) "Taxpayer", any new vehicle dealer who meets the requirements of section 414.345, RSMo, and who is subject to the tax imposed in chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo.

2. For all taxable years beginning on or after January 1, 2007, a taxpayer shall be allowed a tax credit for the sale of alternative fueled vehicles, as defined in section 414.345, RSMo. The tax credit amount shall be equal to ten percent of the total invoice price of all alternative fueled vehicles sold by the dealer. The amount of the tax credit issued shall not exceed the amount of the taxpayer's state tax liability for the tax year for which the credit is claimed. If the amount of the tax credit issued exceeds the amount of the taxpayer's state tax liability for the tax year for which the credit is claimed, the difference shall not be

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in bold-face type in the above bill is proposed language.

15 refundable but may be carried forward to any of the taxpayer's five subsequent taxable
16 years. No tax credit granted under this section shall be transferred, sold, or assigned. The
17 cumulative amount of tax credits which may be issued under this section in any one fiscal
18 year shall not exceed twenty million dollars.

19 **3. The department of revenue may promulgate rules to implement the provisions**
20 **of this section. Any rule or portion of a rule, as that term is defined in section 536.010,**
21 **RSMo, that is created under the authority delegated in this section shall become effective**
22 **only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and,**
23 **if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are**
24 **nonseverable and if any of the powers vested with the general assembly pursuant to**
25 **chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule**
26 **are subsequently held unconstitutional, then the grant of rulemaking authority and any**
27 **rule proposed or adopted after August 28, 2007, shall be invalid and void.**

28 **4. Under section 23.253, RSMo, of the Missouri Sunset Act:**

29 **(1) The provisions of the new program authorized under this section shall**
30 **automatically sunset six years after the effective date of this section unless reauthorized by**
31 **an act of the general assembly; and**

32 **(2) If such program is reauthorized, the program authorized under this section**
33 **shall automatically sunset twelve years after the effective date of the reauthorization of this**
34 **section; and**

35 **(3) This section shall terminate on September first of the calendar year immediately**
36 **following the calendar year in which the program authorized under this section is sunset.**

135.175. 1. As used in this section, the following terms mean:

2 **(1) "Fuel station improvements", any capital, labor, and equipment costs incurred**
3 **by the taxpayer directly for the construction of any motor vehicle fuel retail station or**
4 **improvements to any existing motor vehicle fuel retail station in order to provide**
5 **alternative fuel or for the construction of any recharging station or improvements to any**
6 **existing recharging station in order to provide for the recharging of electric vehicles in**
7 **accordance with section 414.345, RSMo;**

8 **(2) "Tax credit", a credit against the tax otherwise due under chapter 143, RSMo,**
9 **excluding withholding tax imposed by sections 143.191 to 143.265, RSMo;**

10 **(3) "Taxpayer", any individual subject to the tax imposed in chapter 143, RSMo,**
11 **excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or the tax**
12 **imposed in chapter 147, 148, or 153, RSMo.**

13 **2. For all taxable years beginning on or after January 1, 2007, a taxpayer shall be**
14 **allowed a tax credit for fuel station improvements. The tax credit amount shall be equal**
15 **to the following:**

16 **(1) Up to ten thousand dollars for such costs associated with improvements or**
17 **retrofitting of any existing station; and**

18 **(2) Up to fifty thousand dollars for such costs associated with new construction.**

19

20 **The amount of the tax credit issued shall not exceed the amount of the taxpayer's state tax**
21 **liability for the tax year for which the credit is claimed. If the amount of the tax credit**
22 **issued exceeds the amount of the taxpayer's state tax liability for the tax year for which the**
23 **credit is claimed, the difference shall not be refundable but may be carried forward to any**
24 **of the taxpayer's five subsequent taxable years. No tax credit granted under this section**
25 **shall be transferred, sold, or assigned. The cumulative amount of tax credits which may**
26 **be issued under this section in any one fiscal year shall not exceed twenty million dollars.**

27 **3. The department of revenue may promulgate rules to implement the provisions**
28 **of this section. Any rule or portion of a rule, as that term is defined in section 536.010,**
29 **RSMo, that is created under the authority delegated in this section shall become effective**
30 **only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and,**
31 **if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are**
32 **nonseverable and if any of the powers vested with the general assembly pursuant to**
33 **chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule**
34 **are subsequently held unconstitutional, then the grant of rulemaking authority and any**
35 **rule proposed or adopted after August 28, 2007, shall be invalid and void.**

36 **4. Under section 23.253, RSMo, of the Missouri Sunset Act:**

37 **(1) The provisions of the new program authorized under this section shall**
38 **automatically sunset six years after the effective date of this section unless reauthorized by**
39 **an act of the general assembly; and**

40 **(2) If such program is reauthorized, the program authorized under this section**
41 **shall automatically sunset twelve years after the effective date of the reauthorization of this**
42 **section; and**

43 **(3) This section shall terminate on September first of the calendar year immediately**
44 **following the calendar year in which the program authorized under this section is sunset.**

414.345. 1. As used in this section, the following terms shall mean:

2 **(1) "Alternative fuel", any fuel, including any alcohol fuel containing eighty-five**
3 **percent or more by volume of such alcohol or other such percentage not less than seventy**
4 **percent if determined by the United States Department of Energy by rule to be necessary**

5 to provide for the requirements of cold start, safety, or vehicle functions, natural gas,
6 liquefied petroleum gas, any fuel other than alcohol derived from biological materials when
7 designated by the United States Department of Energy as an alternative fuel, and
8 hydrogen, or any power source, including electricity, and any other fuel that the United
9 States Department of Energy determines by final rule is substantially not petroleum and
10 would yield substantial energy security and environmental benefits, used in a vehicle that
11 complies with the standards and requirements applicable to such vehicle when using such
12 fuel or power source;

13 (2) "Alternative fueled vehicle", a vehicle that operates solely on alternative fuel,
14 or is capable of operating on alternative fuel and on gasoline or diesel fuel. Such term shall
15 include but not be limited to a fuel cell vehicle, hybrid vehicle, flexible fuel vehicle, and
16 advanced diesel vehicle;

17 (3) "Motor vehicle fuel retail station", any establishment that engages in the
18 business of selling or dispensing motor vehicle fuel at retail to the consumer within this
19 state.

20 2. Beginning January 1, 2008, all new vehicle dealers in this state shall sell, at a
21 minimum, alternative fueled vehicles in the following percentages of all new vehicles sold
22 by the dealer in a calendar year:

23 (1) For 2008, ten percent;

24 (2) For 2009, twenty percent;

25 (3) For 2010, thirty percent;

26 (4) For 2011, forty percent;

27 (5) For 2012, fifty percent; and

28 (6) For 2013 and after, sixty percent.

29 3. The percentages listed in subsection 2 of this section shall be based on the total
30 sales of new vehicles by a new vehicle dealer in the immediately preceding calendar year.
31 The number of new vehicles required to be sold in accordance with this section shall be
32 reviewed and adjusted on a quarterly basis based on actual sales by the new vehicle dealer
33 during the current calendar year.

34 4. Any new vehicle dealer who meets the requirements of this section for the sale
35 of alternative fueled vehicles shall be eligible for a tax credit under section 135.170.

36 5. Any new vehicle dealer who does not meet the requirements of this section for
37 sale of alternative fueled vehicles shall be subject to a surcharge equal to one-half of one
38 percent of all new vehicle sales by the dealer during the calendar year. Any surcharges
39 imposed under this section shall be collected by the department and deposited into a

40 dedicated fund for such surcharges and shall be subject to appropriation by the general
41 assembly.

42 **6. Any motor vehicle fuel retail station that sells alternative fuels at retail and**
43 **incurs capital, labor, and equipment costs directly for the construction of any filling station**
44 **or improvements to any existing filling station in order to provide alternative fuel or for**
45 **the construction of any recharging station or improvements to any existing recharging**
46 **station in order to provide for the recharging of electric vehicles shall be eligible for a tax**
47 **credit under section 135.175.**

48 **7. The department of revenue shall administer the provisions of this section and**
49 **shall monitor new vehicle dealers for compliance with the requirements of this section.**

50 **8. The department may promulgate rules to implement the provisions of this**
51 **section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,**
52 **that is created under the authority delegated in this section shall become effective only if**
53 **it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if**
54 **applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable**
55 **and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,**
56 **to review, to delay the effective date, or to disapprove and annul a rule are subsequently**
57 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**
58 **adopted after August 28, 2007, shall be invalid and void.**

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