

HB 488 -- TAX CREDIT FOR IDLE REDUCTION TECHNOLOGY

SPONSOR: Wasson

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Job Creation and Economic Development by a vote of 12 to 0.

Beginning January 1, 2007, this bill authorizes an income tax credit equal to 50% of the cost to purchase and install idle reduction technology on a class 8 truck. A "class 8 truck" is defined as a heavy duty vehicle with a gross vehicle weight in excess of 33,000 pounds. The maximum amount of the tax credit is \$3,500 per truck. The tax credit may be taken against individual and corporate income tax, corporate franchise tax, and express company tax liability. The tax credit is not transferable or refundable, but can be carried forward and claimed for up to three taxable years.

The provisions of the bill will expire two years from the effective date.

FISCAL NOTE: Estimated Cost on General Revenue Fund of Unknown in FY 2008, FY 2009, and FY 2010. No impact on Other State Funds in FY 2008, FY 2009, and FY 2010.

PROPOSERS: Supporters say that large semi-trucks idle an average of eight hours a day. Auxiliary power units (APUs) are now available for trucks which allow the driver to run all the things that the engine can run, but without the engine being turned on. They allow a driver to run the heat or air conditioning while stopped overnight, but the engine doesn't have to run, too. This saves a tremendous amount of fuel and greatly reduces emissions. Unfortunately, APUs are very expensive. The tax credit will cover at least 50% of the APU's cost, which will provide a great incentive. Without this incentive, the APUs will remain cost-prohibitive.

Testifying for the bill were Representative Wasson; Larry Morgan, Gencom, Incorporated; Missouri Motor Carriers Association; Owner-Operator Independent Drivers Association; Missouri Chamber of Commerce and Industry; and Department of Natural Resources.

OPPOSERS: There was no opposition voiced to the committee.