

SENATE BILL No. 140

By Senator Steineger

1-22

9 AN ACT concerning income taxation; relating to credits; alternative-fu-
10 eled motor vehicles; amending K.S.A. 2006 Supp. 79-32,201 and re-
11 pealing the existing section.
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 2006 Supp. 79-32,201 is hereby amended to read
15 as follows: 79-32,201. (a) Any taxpayer who makes expenditures for a
16 qualified alternative-fueled motor vehicle or alternative-fuel fueling sta-
17 tion shall be allowed a credit against the income tax imposed by article
18 32 of chapter 79 of the Kansas Statutes Annotated, as follows:

19 (1) *For taxable years 2007, 2008 and 2009*, for any qualified alter-
20 native-fueled motor vehicle placed in service on or after January 1, ~~1996~~
21 ~~2007~~, and before January 1, ~~2005~~ 2010, an amount equal to ~~50%~~ of the
22 ~~incremental cost or conversion cost for each qualified alternative-fueled~~
23 ~~motor vehicle but not to exceed \$3,000 for each such motor vehicle with~~
24 ~~a gross vehicle weight of less than 10,000 lbs., \$5,000 for a heavy duty~~
25 ~~motor vehicle with a gross vehicle weight of greater than 10,000 lbs. but~~
26 ~~less than 26,000 lbs., and \$50,000 for motor vehicles having a gross vehicle~~
27 ~~weight of greater than 26,000 lbs.;~~

28 ~~—(2)—~~ for any qualified alternative-fueled motor vehicle placed in service
29 ~~on or after January 1, 2005~~, an amount equal to ~~40%~~ of the incremental
30 ~~cost or conversion cost for each qualified alternative-fueled motor vehicle,~~
31 ~~but not to exceed \$2,400 for each such motor vehicle with a gross vehicle~~
32 ~~weight of less than 10,000 lbs., \$4,000 for a heavy duty motor vehicle with~~
33 ~~a gross vehicle weight of greater than 10,000 lbs. but less than 26,000~~
34 ~~lbs., and \$40,000 for motor vehicles having a gross vehicle weight of~~
35 ~~greater than 26,000 lbs.;~~

36 ~~—(3)—~~ for any qualified alternative-fuel fueling station placed in service
37 ~~on or after January 1, 1996~~, and before January 1, 2005, an amount equal
38 ~~to 50% of the total amount expended for each qualified alternative-fuel~~
39 ~~fueling station but not to exceed \$200,000 for each fueling station~~ *the*
40 *amount of such expenditures but not to exceed \$750. The credit under*
41 *this subsection shall be allowed only to the first individual to take title to*
42 *such motor vehicle, other than for resale. The credit under this subsection*
43 *for motor vehicles which are capable of operating on a blend of 85%*

1 *ethanol and 15% gasoline shall be allowed only if the individual claiming*
2 *the credit furnishes evidence of the purchase, during the period of time*
3 *beginning with the date of purchase of such vehicle and ending on De-*
4 *cember 31 of the next succeeding calendar year, of 500 gallons of such*
5 *ethanol and gasoline blend as may be required or is satisfactory to the*
6 *secretary of revenue; and*

7 ~~(4)~~ (2) For taxable years 2007, 2008 and 2009, for any qualified al-
8 ternative-fuel fueling station placed in service on or after January 1, 2005
9 2007, an amount equal to 40% of the total amount expended for each
10 qualified alternative-fuel fueling station, but not to exceed \$160,000 for
11 each fueling station.

12 (b) ~~If no credit has been claimed pursuant to subsection (a), a credit~~
13 ~~in an amount not exceeding the lesser of 5% of the cost of the vehicle or~~
14 ~~\$750 shall be allowed to a taxpayer who purchases a motor vehicle~~
15 ~~equipped by the vehicle manufacturer with an alternative fuel system and~~
16 ~~who is unable or elects not to determine the exact basis attributable to~~
17 ~~such property. The credit under this subsection shall be allowed only to~~
18 ~~the first individual to take title to such motor vehicle, other than for resale.~~
19 ~~The credit under this subsection for motor vehicles which are capable of~~
20 ~~operating on a blend of 85% ethanol and 15% gasoline shall be allowed~~
21 ~~for taxable years commencing after December 31, 1990, only if the in-~~
22 ~~dividual claiming the credit furnishes evidence of the purchase, during~~
23 ~~the period of time beginning with the date of purchase of such vehicle~~
24 ~~and ending on December 31 of the next succeeding calendar year, of 500~~
25 ~~gallons of such ethanol and gasoline blend as may be required or is sat-~~
26 ~~isfactory to the secretary of revenue.~~

27 ~~(c)~~ The tax credit under subsection (a) ~~or (b)~~ shall be deducted from
28 the taxpayer's income tax liability for the taxable year in which the ex-
29 penditures are made by the taxpayer. If the amount of the tax credit
30 exceeds the taxpayer's income tax liability for the taxable year, the amount
31 which exceeds the tax liability may be carried over for deduction from
32 the taxpayer's income tax liability in the next succeeding taxable year or
33 years until the total amount of the tax credit has been deducted from tax
34 liability, except that no such tax credit shall be carried over for deduction
35 after the third taxable year succeeding the taxable year in which the ex-
36 penditures are made.

37 ~~(c)~~ As used in this section:

38 (1) "Alternative fuel" has the meaning provided by 42 U.S.C. 13211.

39 (2) "Qualified alternative-fueled motor vehicle" means a motor ve-
40 hicle that operates on an alternative fuel, meets or exceeds the clean fuel
41 vehicle standards in the federal clean air act amendments of 1990, Title
42 II and meets one of the following categories:

43 (A) Bi-fuel motor vehicle: A motor vehicle with two separate fuel

1 systems designed to run on either an alternative fuel or conventional fuel,
2 using only one fuel at a time;

3 (B) dedicated motor vehicle: A motor vehicle with an engine de-
4 signed to operate on a single alternative fuel only; ~~or~~

5 (C) flexible fuel motor vehicle: A motor vehicle that may operate on
6 a blend of an alternative fuel with a conventional fuel, such as E-85 (85%
7 ethanol and 15% gasoline) or M-85 (85% methanol and 15% gasoline),
8 as long as such motor vehicle is capable of operating on at least an 85%
9 alternative fuel blend;

10 (D) *hybrid motor vehicle: A motor vehicle that combines two or more*
11 *sources of power that can directly or indirectly provide propulsion power;*
12 *or*

13 (E) *fuel efficient motor vehicle: A motor vehicle that has an average*
14 *environmental protection agency fuel economy rating of 40 or more miles*
15 *per gallon.*

16 (3) “Qualified alternative-fuel fueling station” means the property
17 which is directly related to the delivery of alternative fuel into the fuel
18 tank of a motor vehicle propelled by such fuel, including the compression
19 equipment, storage vessels and dispensers for such fuel at the point where
20 such fuel is delivered but only if such property is primarily used to deliver
21 such fuel for use in a qualified alternative-fueled motor vehicle.

22 (4) ~~“Incremental cost” means the cost that results from subtracting~~
23 ~~the manufacturer’s list price of the motor vehicle operating on conven-~~
24 ~~tional gasoline or diesel fuel from the manufacturer’s list price of the same~~
25 ~~model motor vehicle designed to operate on an alternative fuel.~~

26 ~~—(5)—“Conversion cost” means the cost that results from modifying a~~
27 ~~motor vehicle which is propelled by gasoline or diesel to be propelled by~~
28 ~~an alternative fuel.~~

29 ~~—(6)—“Taxpayer” means any person who owns and operates a qualified~~
30 ~~alternative-fueled vehicle licensed in the state of Kansas or who makes~~
31 ~~an expenditure for a qualified alternative-fuel fueling station.~~

32 ~~(7) (5) “Person” means every natural person, association, partnership,~~
33 ~~limited liability company, limited partnership or corporation.~~

34 ~~(e) Except as otherwise more specifically provided, the provisions of~~
35 ~~this section shall apply to all taxable years commencing after December~~
36 ~~31, 1995.~~

37 Sec. 2. K.S.A. 2006 Supp. 79-32,201 is hereby repealed.

38 Sec. 3. This act shall take effect and be in force from and after its
39 publication in the statute book.