

LOUISIANA

DEPARTMENT *of* REVENUE

Revenue Information Bulletin

No. 13-023

September 12, 2013

Income Tax

Changes to the Alternative Fuel Tax Credit Brought About by Acts 219 and 427

During the 2013 Regular Session of the Louisiana Legislature, two significant changes were made to La. R.S. 47:6035, the tax credit for conversion of vehicles to alternative fuel usage.

Act 427 of the 2013 Regular Session of the Louisiana Legislature changed the definition of “alternative fuel” found in La. R.S. 47:6035(B)(1). Previously, the definition of “alternative fuel” had been,

“a fuel which results in emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide, or particulates, or any combination of these which are comparably lower than emissions from gasoline or diesel and which meets or exceeds federal clean air standards, including but not limited to compressed natural gas, liquefied natural gas, liquefied petroleum gas, biofuel, biodiesel, methanol, ethanol, and electricity.”

Act 427 changed the definition of “alternative fuel” to “natural gas, liquefied petroleum gas, and any nonethanol based advanced biofuel.” Act 427 also changed the definition of “alternative fuel” by stating that “alternative fuel” shall also mean,

“electricity if the vehicle meets all of the following criteria: (a) has at least four wheels; (b) is manufactured primarily for use on public streets, roads, and highways and is able to attain a maximum speed of at least fifty five miles per hour; and (c) is propelled to a significant extent as determined by rules adopted by the Department of Revenue in accordance with the Administrative Procedure Act, by an electric motor which draws electricity from a battery which has a capacity of not less than four kilowatt hours and is capable of being recharged from an external source of electricity.”

Act 219 of the 2013 Regular Session of the Louisiana Legislature amended La. R.S. 47:6035 to add La. R.S. 47:6035(C)(1)(b), which excluded certain costs from eligibility for the tax credit. Specifically, costs associated with

“a purchase of, or conversion of a vehicle to, a flexible fuel vehicle that is designed to run on an alternative fuel and either petroleum gasoline or petroleum diesel if the vehicle has only a single fuel storage and delivery system and retains the capability to be propelled by petroleum gasoline or petroleum diesel”

would not be authorized under the credit. As such, the costs associated with the purchase or conversion of a flexible fuel vehicle, designed to run on both an alternative fuel and either gasoline or diesel would not be eligible for the tax credit if the vehicle has a single fuel storage and delivery system and still retains the ability of being propelled by either gasoline or diesel.

Tim Barfield
Secretary

A Revenue Information Bulletin (RIB) is issued under the authority of LAC 61:III.101 (D). A RIB is an informal statement of information issued for the public and employees that is general in nature. A RIB does not have the force and effect of law and is not binding on the public or the Department.