HOUSE DOCKET, NO. 3337 FILED ON: 1/16/2015

HOUSE . . . . . No. 2435

The Commonwealth of Massachusetts

PRESENTED BY:

James Arciero

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to encourage the use of alternative fuel heavy duty and medium duty vehicles.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
James Arciero	*2nd Middlesex*
Mark K. Molloy, Esq.	*Lynch Associates, Inc. 12 Post Office Square, 6th Floor Boston, Massachusetts 02109*

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HOUSE . . . . . No. 2435

By Mr. Arciero of Westford, a petition (accompanied by bill, House, No. 2435) of James Arciero and Mark K. Molloy, Esq., for legislation to establish an excise tax credit for the use of alternative fuels on heavy duty and medium duty vehicles. Revenue.

The Commonwealth of Massachusetts

In the One Hundred and Eighty-Ninth General Court
(2015-2016)

An Act relative to encourage the use of alternative fuel heavy duty and medium duty vehicles.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 6 of Chapter 62 of the general laws, as appearing in the 2014 Official Edition, is hereby amended by inserting the following new subsection at the end thereof:-

(s) As used in this subsection, the following terms shall have the following meaning:

"Affiliated entity" means a person or business entity that is a member of the taxpayer's affiliated group within the meaning of Section 1504(a) of the Internal Revenue Code.

"Alternative fuel" means electricity, liquid petroleum gas, natural gas, or hydrogen fuel. The term does not include hybrid electric drives unless the vehicle has a gross weight equal to or greater than 8,500 pounds and less than 26,000 pounds.

"Alternative fuel heavy-duty vehicle" means a new commercial vehicle, with a gross vehicle weight ratio equal to or more than 26,001 pounds that is primarily fueled by an

12 alternative fuel. As used in this paragraph, "primarily fueled by an alternative fuel" means a
13 vehicle that is produced by an original equipment manufacturer and operates on 90 percent or
14 more alternative fuel and on 10 percent or less gasoline or diesel fuel. In order to qualify for a tax
15 credit under this section, the vehicle shall be registered in Massachusetts.

16 "Alternative fuel medium-duty vehicle" means a new commercial vehicle, with a gross
17 vehicle weight ratio equal to 8,500 pounds or more and less than 26,001 pounds, that is solely
18 fueled by an alternative fuel and that is produced by an original equipment manufacturer. In
19 order to qualify for a tax credit under this Code section, the vehicle shall be registered in
20 Massachusetts.

21 "New commercial vehicle" means a new commercial vehicle that: (A) is manufactured by
22 an original equipment manufacturer, or (B) is manufactured by an original equipment
23 manufacturer and any third-party equipment manufacturers, provided that such third-party
24 manufacturers provide such parts or services prior to the original sale of such vehicle to a
25 purchaser, and all vehicle components, including the alternative fuel system, are covered by the
26 original equipment manufacturer or covered under separate warranties by the original equipment
27 manufacturer and the third-party equipment manufacturer that together provide warranty for the
28 complete vehicle.

29 "Taxpayer" means any person or business entity required by law to file a return or to pay
30 taxes.

31 (2) A taxpayer shall be allowed a credit to purchase an alternative fuel heavy-duty vehicle
32 not to exceed $20,000.00 per vehicle.

33 (3) A taxpayer shall be allowed a credit to purchase an alternative fuel medium-duty
34 vehicle not to exceed $12,000.00 per vehicle.

35 (4) In no event shall the total amount of any tax credit under this section for a taxpayer or
36 an affiliated entity for a taxable year exceed the lesser of (i) a taxpayer's income tax liability, or
37 (ii) $250,000.00. An unused portion of such tax credit shall be allowed the taxpayer or an
38 affiliated entity against succeeding years' tax liabilities. No such credit shall be allowed the
39 taxpayer or an affiliated entity against prior years' tax liabilities.

40 (5) The commissioner shall promulgate any rules and regulations necessary to implement
41 and administer the provisions of this section.