

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 3562

DATE: March 28, 2006

Version: As introduced

Authors: Nelson, P.

Subject: Alternative Fuel Vehicle Conversion Credit

Analyst: Matt Burress (651-296-5045)

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

This bill creates an income tax credit for taxpayers with a business that switches to using at least one alternative fuel vehicle. The credit equals 50 percent of the expenses of switching, but it can not be more than \$500 for a vehicle that weighs under 10,000 pounds, or \$1,000 for a vehicle weighing 10,000 pounds or more. If the credit amount exceeds the tax liability for that taxable year, the excess is credited as a carryover into the following taxable year. The credit is effective for expenses incurred after June 30, 2006.

An alternative fuel vehicle is one that can run on non-gasoline fuels (such as natural gas, liquefied petroleum gas, and methanol) or a mixture containing at least 85 percent non-gasoline fuel.