

BILL SUMMARY
2nd Session of the 52nd Legislature

Bill No.:	HB 3024
Version:	FULLPCS1
Author:	Speaker Bengt
Date:	February 24, 2010
Impact:	Significant Positive Fiscal Impact

Bill Summary

Research Analyst: Dusty Darr

The Proposed Committee Substitute (PCS) for House Bill 3024 modifies current tax credits relating to the purchase of electric vehicles. The measure modifies the definition of “qualified electric motor vehicle property” to include new medium-speed electric vehicles. The measure also specifies that the definition of qualified electric motor vehicle property does not apply to low-speed electric vehicles. This modification is in addition to the prohibition, under current law, regarding vehicles known as “golf carts,” “go-carts” and other motor vehicles which are manufactured principally for use off the streets.

The measure defines medium-speed electrical motor vehicles as any self-propelled, electrically powered four-wheeled motor vehicle that is equipped with a roll cage or crush-proof body design, whose attainable speed within one mile is greater than thirty (30) miles per hour but does not exceed thirty-five (35) miles per hour. In addition, low-speed electric vehicles are defined as four-wheeled vehicles powered by rechargeable storage batteries whose top speed is greater than twenty (20) miles per hour but does not exceed twenty-five (25) miles per hour. Low-speed electrical vehicles are also required to be manufactured in compliance with the national Highway Traffic Safety Administration standards for low-speed vehicles and be both street legal and eligible to be tagged.

Under current law, a qualified electric motor vehicle may qualify for a fifty percent (50%) tax credit for the costs associated with the vehicle. This measure adds a provision stating that the credit claimed by the taxpayer may not exceed the lesser of fifty percent (50%) of the costs of the vehicle or Five Thousand Dollars (\$5,000.00). In addition, the measure imposes a Five Hundred Dollar (\$500.00) per-vehicle cap for qualifying low-speed electric vehicles. No credits may be claimed for any used vehicle or any vehicle which has previously been the basis of a claimed credit.

Fiscal Summary

Fiscal Analyst: Diane Thomas

Proposed Committee Substitute for HB 3024 (effective January 1, 2011) relates to the electric vehicle tax credit,, and:

- Modifies definitions for:
 - Motor vehicles designed to operate principally on streets and highways;

- Medium speed electric vehicles (more than 30 mph but less than 36 mph);
- Qualified low-speed electric vehicles (more than 20 mph but less than 25 mph).
- Provides qualified electric motor vehicle property shall be a new motor vehicle or new medium-speed electric motor vehicle;
- Provides an income tax credit for a qualified electric motor vehicle shall be the lesser of 50% or \$5,000; and
- Provides a \$500 income tax credit for a qualified low-speed electric motor vehicle.

Fiscal Analysis

The fiscal impact for the measure is in progress. However, a significant positive impact is anticipated.

Long Term Fiscal Considerations

None.

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director