



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 301

PRINTERS NO. 1517

PRIME SPONSOR: Saylor

### REVENUE INCREASE / (DECREASE)

FUND	FY 2012/13	FY 2013/14
General Fund	\$0	(\$25,000,000)

**SUMMARY:** House Bill 301, Printer's Number 1517, amends the Tax Reform Code to provide for a natural gas fleet vehicle tax credit. This legislation would take effect in 60 days upon enactment.

**ANALYSIS:** This bill amends the Tax Reform Code (Act 2 of 1971) to add Article XVII-G.2 to provide for a natural gas fleet vehicle tax credit to companies demonstrating their eligibility to the Department of Community & Economic Development (DCED) for natural gas vehicles or retrofit types.

The maximum amount a company may claim is as follows:

- Up to 60% of the cost for vehicles having a gross vehicle weight rating of at least 14,000 pounds but no more than 26,000 pounds; or
- 50% of the cost for vehicles having a gross vehicle weight rating over 26,000 pounds.

The incremental cost for vehicles with a gross vehicle weight rating of at least 14,000 pounds but no more than 26,000 pounds is capped at \$25,000. The incremental cost for vehicles with a gross vehicle weight rating over 26,000 pounds is capped at \$50,000.

The company may apply the tax credit to 100% of all or a combination of the following taxes: corporate net income tax; capital stock and franchise tax; gross premiums tax; gross receipts tax; bank and trust company shares tax; mutual thrift institution tax; title insurance company tax; or personal income tax. The tax credit may be utilized by the company wholly in the first year or spread out over a maximum period of 5 years. The company may sell or assign the tax credits but cannot carry back or obtain a refund of the tax credits.

Each fiscal year, DCED may award a maximum of \$25 million in tax credits with no more than \$1 million in tax credits to a single company in a fiscal year.

**FISCAL IMPACT:** Enactment of this bill will reduce General Fund revenues by up to \$25 million annually assuming there are enough eligible applicants for the available natural gas fleet vehicle tax credits. Such tax credits shall not be available after December 31, 2016.

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**PREPARED BY:** Ritchie LaFaver  
Jeffrey Clukey  
House Appropriations Committee (R)

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*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*