

IC 6-3.1-34.6

Chapter 34.6. Tax Credit for Natural Gas Powered Vehicles

Effective 1-1-2014.

IC 6-3.1-34.6-1

Applicability

Effective 1-1-2014.

Sec. 1. (a) Subject to subsection (b), this chapter applies to taxable years beginning after December 31, 2013.

(b) A person is not entitled to a tax credit for placing a qualified vehicle into service after December 31, 2016. However, this subsection may not be construed to prevent a person from carrying an unused tax credit attributable to a qualified vehicle placed into service before January 1, 2017, forward to a taxable year beginning after December 31, 2016, in the manner provided by section 13 of this chapter.

As added by P.L.277-2013, SEC.6.

IC 6-3.1-34.6-2

"Department"

Effective 1-1-2014.

Sec. 2. As used in this chapter, "department" refers to the department of state revenue.

As added by P.L.277-2013, SEC.6.

IC 6-3.1-34.6-3

"Natural gas"

Effective 1-1-2014.

Sec. 3. As used in this chapter, "natural gas" means compressed or liquid natural gas.

As added by P.L.277-2013, SEC.6.

IC 6-3.1-34.6-4

"Pass through entity"

Effective 1-1-2014.

Sec. 4. As used in this chapter, "pass through entity" means:

- (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) a partnership;
- (3) a limited liability company; or
- (4) a limited liability partnership.

As added by P.L.277-2013, SEC.6.

IC 6-3.1-34.6-5

"Person"

Effective 1-1-2014.

Sec. 5. As used in this chapter, "person" means an individual, a corporation, a limited liability company, a partnership, or another legal entity.

As added by P.L.277-2013, SEC.6.

IC 6-3.1-34.6-6
"Qualified vehicle"

Effective 1-1-2014.

Sec. 6. As used in this chapter, "qualified vehicle" means a natural gas powered vehicle that has a gross vehicle weight rating of more than thirty-three thousand (33,000) pounds.

As added by P.L.277-2013, SEC.6.

IC 6-3.1-34.6-7
"State tax liability"

Effective 1-1-2014.

Sec. 7. As used in this chapter, "state tax liability" means a person's total tax liability that is incurred under:

- (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- (2) IC 6-5.5 (the financial institutions tax); and
- (3) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

As added by P.L.277-2013, SEC.6.

IC 6-3.1-34.6-8
Credit claim and computation

Effective 1-1-2014.

Sec. 8. (a) A person that places a qualified vehicle into service in a particular taxable year may claim a credit against the person's state tax liability for that taxable year.

(b) Subject to sections 9 and 10 of this chapter, the amount of the credit that may be claimed for placing a qualified vehicle into service is the amount determined in STEP THREE of the following formula:

STEP ONE: Determine the difference between:

- (A) the price of the qualified vehicle; and
- (B) the price of a similarly equipped vehicle of the same make and model that is powered by a gasoline or diesel engine.

STEP TWO: Multiply the STEP ONE result by fifty percent (50%).

STEP THREE: Determine the lesser of:

- (A) the STEP TWO result; or
- (B) fifteen thousand dollars (\$15,000).

As added by P.L.277-2013, SEC.6.

IC 6-3.1-34.6-9
Maximum credit per person

Effective 1-1-2014.

Sec. 9. The total amount of the tax credits granted to a person under this chapter for a particular taxable year may not exceed one hundred fifty thousand dollars (\$150,000).

As added by P.L.277-2013, SEC.6.

IC 6-3.1-34.6-10**Maximum annual credit; maximum overall credit**

Effective 1-1-2014.

Sec. 10. The total amount of the tax credits granted in a particular year to all persons under this chapter may not exceed lesser of:

- (1) Three million dollars (\$3,000,000) per year; or
- (2) the revenue, as estimated by the budget agency, that is attributable to the imposition of the gross retail and use tax on transactions involving alternative fuel (as defined by IC 6-6-2.5-1) to fuel a motor vehicle used in providing public transportation for persons or property as a result of IC 6-2.5-5-27(b) for the year the credit is claimed.

In addition, the tax credits granted for all years to all persons under this chapter may not exceed three (3) times the per year amount under subdivision (1) or (2), whichever applies for a particular year.

As added by P.L.277-2013, SEC.6.

IC 6-3.1-34.6-11**Claiming credit; pass through entity**

Effective 1-1-2014.

Sec. 11. (a) If a pass through entity places a qualified vehicle into service but does not have state tax liability against which a tax credit may be applied, a shareholder, partner, or member of the pass through entity may claim a tax credit under this chapter equal to:

- (1) the tax credit determined for the pass through entity under this chapter for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

(b) The credit provided under subsection (a) is in addition to a tax credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under this chapter. However, a pass through entity and a shareholder, partner, or member of the pass through entity may not claim more than one (1) credit for the same qualified vehicle placed into service.

As added by P.L.277-2013, SEC.6.

IC 6-3.1-34.6-12**Procedure to claim credit**

Effective 1-1-2014.

Sec. 12. (a) To receive a credit under this chapter, a person must:

- (1) claim the credit on the person's state tax return or returns in the manner prescribed by the department; and
- (2) file with the department information that the department determines is necessary for the calculation of the credit under this chapter.

(b) The department shall record the time of filing of each return claiming a credit under this section and shall, except as provided in subsection (c), grant the credit to the person, if the person otherwise qualifies for a credit under this chapter, in the chronological order in which the return is filed in the year.

(c) If the total credits granted under this section equal the maximum amount allowable in the year, a return claiming the credit filed later in that year may not be approved.

As added by P.L.277-2013, SEC.6.

IC 6-3.1-34.6-13

Credit carryover; no carryback or refund

Effective 1-1-2014.

Sec. 13. (a) If the amount of the credit determined under this chapter for a person in a taxable year exceeds the person's state tax liability for that taxable year, the person may carry over the excess to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the person to obtain a credit under this chapter for any subsequent taxable year. A credit may not be carried forward for more than six (6) taxable years following the taxable year in which the person is first entitled to claim the credit.

(b) A person is not entitled to a carryback or refund of any unused credit.

As added by P.L.277-2013, SEC.6.

IC 6-3.1-34.6-14

Credit sale, assignment, or transfer prohibited

Effective 1-1-2014.

Sec. 14. A person may not sell, assign, convey, or otherwise transfer the tax credit provided by this chapter.

As added by P.L.277-2013, SEC.6.