

SENATE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Thomas P. Kennedy

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 passage of the accompanying bill:

An Act providing incentives for the purchase and use of alternative fuel vehicles.

PETITION OF:

NAME:

Thomas P. Kennedy

DISTRICT/ADDRESS:

Second Plymouth and Bristol

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT providing incentives for the purchase and use of alternative fuel vehicles.

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

1 SECTION 1. Section 22A of chapter 40 of the General Laws is hereby amended by adding the following
2 paragraph:—
3 Any city or town acting under this section with respect to ways under its control, or under the authority granted
4 under chapter forty A with respect to zoning, may further regulate the parking of vehicles by restricting certain areas
5 or requiring that certain areas be restricted for the parking of any vehicle bearing a distinctive plate, decal, or
6 emblem identifying such vehicle as a reduced emissions vehicle, as defined by section one of chapter ninety. Any
7 such ordinance, bylaw, order, rule, or regulation promulgated pursuant to the provisions of this paragraph shall
8 contain a penalty of not less than fifteen dollars or not more than fifty dollars and may provide for the removal of a
9 vehicle in accordance with the provisions of section twenty-two D.

10 SECTION 2. Section 6 of chapter 62 of the General Laws is hereby amended by adding the following subsection:—
11 (h)(1) A credit shall be allowed against the tax imposed by this chapter in an amount equal to fifty percent of the
12 incremental cost of purchasing an alternative fuel vehicle and fifty percent of the cost of converting a petroleum
13 fueled motor vehicle to an alternative fuel vehicle.
14 For an originally equipped alternative fuel vehicle, the credit allowed shall be claimed in the first taxable year in
15 which the vehicle is registered.
16 For a motor vehicle which has been converted to an alternative fuel vehicle, the credit allowed shall be claimed in
17 the first taxable year in which such conversion occurs. Conversion costs eligible for such credit shall include the cost
18 of purchasing conversion equipment necessary to convert a motor vehicle to an alternative fuel vehicle and the labor
19 costs associated with installing such conversion equipment.
20 A credit also shall be allowed against the tax imposed by this chapter in an amount equal to fifty percent of the cost
21 of constructing any facility in Massachusetts, available to the public, for fueling alternative fuel vehicles. Such
22 facility shall be available to the public if feasible. Facility costs eligible for a credit under this paragraph include the
23 cost of purchasing fueling equipment, charging equipment and other materials necessary for the facility to fuel
24 alternative fuel vehicles and the labor costs associated with constructing the facility and installing such equipment.
25 This credit shall be claimed in the first taxable year in which the facility becomes operational.
26 As used in this subsection, the following words and phrases shall have the following meanings:—
27 “Alternative fuel”, methanol, denatured ethanol, and other alcohols; mixtures containing 85 percent or more by
28 volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels; natural gas; liquefied
29 petroleum gas; hydrogen; coal-derived liquid fuels; fuels (other than alcohol) derived from biological materials;
30 electricity (including electricity from solar energy); and any other fuel that the department of environmental

31 protection determines is substantially not petroleum.
32 “Alternative fuel vehicle”, a motor vehicle, as defined at Massachusetts General Laws chapter ninety, section one,
33 which: (1) operates exclusively on an alternative fuel; (2) meets applicable state and federal safety and emission
34 standards; and (3) is registered in Massachusetts on the last day of the taxable year in which the credit pursuant to
35 this subsection is claimed. In addition, for an alternative fuel vehicle less than 6,000 pounds gross vehicle weight
36 rating, the alternative fuel vehicle shall meet ultra-low emission vehicle standards for total vehicle emissions. And
37 for an alternative fuel vehicle equal to or greater than 6,000 gross vehicle weight rating, the alternative fuel vehicle
38 shall meet federal emission standards for a new comparable vehicle.
39 “Comparable conventionally-fueled motor vehicle” or “comparable vehicle”, a motor vehicle which is (1)
40 commercially available at the time the comparability of the vehicle is being assessed; (2) powered by an internal
41 combustion engine that uses petroleum as its fuel source; and (3) provides passenger capacity or payload capacity
42 the same or similar to the alternative fuel vehicle to which it is being compared.
43 “Facility”, any structure, equipment, apparatus, wires or piping used with dispensing or charging equipment
44 necessary to dispense an alternative fuel.
45 “Incremental cost”, the difference between the manufacturer’s suggested retail price of an alternative fuel vehicle
46 and of a comparable conventionally-fueled motor vehicle.
47 (2) Credits allowed under this subsection shall be taken only for alternative fuel vehicles purchased in excess of state
48 and federal requirements.
49 (3) The allowable credits under this subsection shall not exceed the total tax liability under this chapter before any
50 other credits are taken into account.
51 (4) In any year in which the credit described in this subsection exceeds the total tax liability under this chapter
52 before any other credits are taken into account, the unused credit may be carried forward and used against the tax
53 liability for one or more of the succeeding five tax periods.
54 (5) The credit allowed herein shall apply to taxes due for taxable periods beginning on or after January 1, 1996 and
55 ending on or before December 31, 2002. Such credits, except for unused amounts of credits carried forward pursuant
56 to subpart (4), shall not apply after taxable periods beginning on or after January 1, 2003.
57 (6) The commissioner of the department of revenue, in consultation with the commissioners of the department of
58 environmental protection and the division of energy resources, shall promulgate rules and regulations necessary to
59 implement the provisions of this subsection.

60 SECTION 3. Chapter 63 of the General Laws is hereby amended by adding the following section:—
61 Section 38P. (1) A credit shall be allowed against the tax imposed by this chapter in an amount equal to fifty percent
62 of the incremental cost of purchasing an alternative fuel vehicle and fifty percent of the cost of converting a
63 petroleum fueled motor vehicle to an alternative fuel vehicle.
64 For an originally equipped alternative fuel vehicle, the credit allowed shall be claimed in the first taxable year in
65 which the vehicle is registered.
66 For a motor vehicle which has been converted to an alternative fuel vehicle, the credit allowed shall be claimed in
67 the first taxable year in which such conversion occurs. Conversion costs eligible for such credit shall include the cost
68 of purchasing conversion equipment necessary to convert a motor vehicle to an alternative fuel vehicle and the labor
69 costs associated with installing such conversion equipment.
70 A credit also shall be allowed against the tax imposed by this chapter in an amount equal to fifty percent of the cost
71 of constructing any facility in Massachusetts, available to the public, for fueling alternative fuel vehicles. Such
72 facility shall be available to the public if feasible. Facility costs eligible for a credit under this paragraph include the
73 cost of purchasing fueling equipment, charging equipment and other materials necessary for the facility to fuel
74 alternative fuel vehicles and the labor costs associated with constructing the facility and installing such equipment.
75 This credit shall be claimed in the first taxable year in which the facility becomes operational.
76 As used in this section, the following words and phrases shall have the following meanings:—
77 “Alternative fuel”, methanol, denatured ethanol, and other alcohols; mixtures containing 85 percent or more by
78 volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels; natural gas; liquefied
79 petroleum gas; hydrogen; coal-derived liquid fuels; fuels (other than alcohol) derived from biological materials;
80 electricity (including electricity from solar energy); and any other fuel that the department of environmental
81 protection determines is substantially not petroleum.
82 “Alternative fuel vehicle”, a motor vehicle, as defined at Massachusetts General Laws chapter ninety, section one,
83 which: (1) operates exclusively on an alternative fuel; (2) meets applicable state and federal safety and emission
84 standards; and (3) is registered in Massachusetts on the last day of the taxable year in which the credit pursuant to
85 this section is claimed. In addition, for an alternative fuel vehicle less than 6,000 pounds gross vehicle weight rating,

86 the alternative fuel vehicle shall meet ultra-low emission vehicle standards for total vehicle emissions. And for an
87 alternative fuel vehicle equal to or greater than 6,000 gross vehicle weight rating, the alternative fuel vehicle shall
88 meet federal emission standards for a new comparable vehicle.
89 “Comparable conventionally-fueled motor vehicle” or “comparable vehicle”, a motor vehicle which is (1)
90 commercially available at the time the comparability of the vehicle is being assessed; (2) powered by an internal
91 combustion engine that uses petroleum as its fuel source; and (3) provides passenger capacity or payload capacity
92 the same or similar to the alternative fuel vehicle to which it is being compared.
93 “Facility”, any structure, equipment, apparatus, wires or piping used with dispensing or charging equipment
94 necessary to dispense an alternative fuel.
95 “Incremental cost”, the difference between the manufacturer’s suggested retail price of an alternative fuel vehicle
96 and of a comparable conventionally-fueled motor vehicle.
97 (2) Credits allowed under this section shall be taken only for alternative fuel vehicles purchased in excess of state
98 and federal requirements.
99 (3) The allowable credits under this section shall not exceed the total tax liability under this chapter before any other
100 credits are taken into account.
101 (4) In any year in which the credit described in this section exceeds the total tax liability under this chapter before
102 any other credits are taken into account, the unused credit may be carried forward and used against the tax liability
103 for one or more of the succeeding five tax periods.
104 (5) The credit allowed herein shall apply to taxes due for taxable periods beginning on or after January 1, 1996 and
105 ending on or before December 31, 2002. Such credits, except for unused amounts of credits carried forward pursuant
106 to subpart (4), shall not apply after taxable periods beginning on or after January 1, 2003.
107 (6) If a corporation is subject to a minimum excise under any provision of this chapter, the amount of the credit
108 allowed by this section shall not reduce the excise to an amount less than the minimum excise;
109 (7) The credit allowed under this section shall be subject to the provisions of section thirty-two C of this chapter.
110 (8) Any corporation entitled to a credit pursuant to this section for any taxable year shall apply such credit only to its
111 excise for any of the eligible taxable years. Such credit may not be applied against the excise liability of any other
112 corporation pursuant to an election under the provisions of section thirty-two B.
113 The commissioner of the department of revenue, in consultation with the commissioners of the department of
114 environmental protection and the division of energy resources, shall promulgate rules and regulations necessary to
115 implement the provisions of this section.

116 SECTION 4. Section 4 of chapter 64E of the General Laws, as appearing in the 1994 Official Edition, is hereby
117 amended by adding the following two sentences:—
118 No person shall pay an excise pursuant to this chapter, for alternative fuel, when the alternative fuel is dispensed into
119 an alternative fuel vehicle; provided, however, that the exemption provided in this sentence shall not apply to any
120 such sales made after December 31, 2002. The terms “alternative fuel,” and “alternative fuel vehicle” shall have the
121 meanings as set forth at section six of chapter sixty-two.

122 SECTION 5. Section 3 of chapter 64F of the General Laws, as appearing in the 1994 Official Edition, is hereby
123 amended by inserting after the word “sixty-four A”, in line 9, the following:— ; provided, however, that no person
124 shall pay an excise pursuant to this chapter for the privilege of using the highways of the commonwealth while
125 operating an alternative fuel vehicle; provided further that the exemption provided in this sentence shall not apply to
126 any such sales made after December 31, 2002. The term “alternative fuel vehicle” shall have the meaning as set
127 forth at section six of chapter sixty-two.

128 SECTION 6. Section 6 of chapter 64H of the General Laws is hereby amended by adding the following two
129 paragraphs:—
130 (rr) sales of equipment, parts and materials used directly and exclusively for converting a conventionally fueled
131 motor vehicle to an alternative fuel vehicle; and sales of any alternative fuel vehicle, to the extent its manufacturer’s
132 suggested retail price exceeds the manufacturer’s suggested retail price of a comparable conventionally fueled motor
133 vehicle. The exemption provided in this paragraph shall not apply to any such sales made after December 31, 2002.
134 As used in this paragraph and paragraph (ss), the terms “alternative fuel,” “alternative fuel vehicle,” “comparable
135 conventionally fueled motor vehicle,” shall have the meanings as set forth at section six of chapter sixty-two.
136 (ss) Sales of equipment, parts and materials used directly and exclusively to dispense alternative fuel into alternative

137 fuel vehicles. The exemption provided in this paragraph shall not apply to any such sales made after December 31,
138 2002.

139 SECTION 7. Section 1 of chapter 90 of the General Laws is hereby amended by inserting after the definition of
140 "Police officer", as appearing in the 1994 Official Edition, the following definition:—
141 "Reduced Emissions Vehicle", an ultra-low emissions vehicle or a zero emissions vehicle, in each case as so defined
142 by the department of environmental protection pursuant to the provisions of section one hundred and forty-two K of
143 chapter one hundred and eleven.

144 SECTION 8. Section 2 of said chapter 90, as so appearing, is hereby amended by adding the following paragraph:—
145 The registrar shall furnish to owners of reduced emissions vehicles upon application and upon presentation of
146 evidence deemed satisfactory by the registrar, a distinctive license plate bearing on the left side the letters "REV"
147 and an adhesive emblem bearing the letters "REV" to be affixed to the vehicle identifying the vehicle as a reduced
148 emissions vehicle. There shall be no additional fee for said plates or adhesive emblems.

149 SECTION 9. Chapter 164 of the General Laws, as appearing in the 1994 Official Edition, is hereby amended by
150 adding, after section 94, the following section:—
151 Section 94½. Notwithstanding the provisions of chapter one hundred sixty-four, section ninety-four or any other
152 special or general law to the contrary, the rates and terms for the sale of alternative fuels for motor vehicle use shall
153 not be subject to regulation by the department of public utilities; provided, however, that any gas or electric
154 company which is otherwise regulated pursuant to this chapter and sells alternative fuels for motor vehicle use, shall
155 keep separate records, books, and accounts of such unregulated sales sufficient to allow the department of public
156 utilities to allocate costs and revenues; and further provided that such gas or electric company's sale of alternative
157 fuel for use in motor vehicles and its investment in related infrastructure shall not affect the quality of service or
158 increase the cost of alternative fuel to said company's customers who purchase alternative fuel for use other than
159 motor vehicle use. For the purposes of this section, "alternative fuel" shall have the same meaning as set forth at
160 section six of chapter sixty-two.