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HOUSE BILL NO. 508

Offered January 8, 2014

Prefiled January 6, 2014

A *BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:11, relating to tax credit for public natural gas fueling stations.*

Patrons—Taylor, Marshall, D.W. and Miller

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:11 as follows:

§ 58.1-439.12:11. Public access to natural gas fueling stations tax credit.

A. As used in this section, "qualifying station" means a compressed natural gas or liquefied natural gas fueling station that is (i) built on or after January 1, 2015, and is open to the public or (ii) an existing station that is opened to the public on or after January 1, 2015.

B. For taxable years beginning on or after January 1, 2015, a taxpayer who owns a qualifying station shall be eligible to receive a credit against the tax levied under Articles 2 (§ 58.1-320 et seq.) and 10 (§ 58.1-400 et seq.) in an amount equal to (i) 30 percent of the fuels tax attributable to the volume of compressed natural gas or liquefied natural gas purchased for resale during the taxable year or (ii) 40 percent of the fuels tax attributable to the volume of compressed natural gas or liquefied natural gas purchased for resale during the taxable year if such qualifying station is within three miles of Interstate 95. Such taxpayer shall be eligible to receive the credit for five years beginning after the year in which he opened a qualifying station.

C. Eligible taxpayers shall provide evidence to document gallons purchased for resale to the Commissioner. In no case shall the amount of credit taken by a taxpayer pursuant to this section exceed the taxpayer's income tax liability for the taxable year. In no event shall the aggregate amount of tax credits approved exceed \$1 million annually. If applications for the tax credits allowed under this section exceed \$1 million for any taxable year, the Department shall apportion the credits on a pro rata basis by dividing \$1 million by the total amount of tax credits applied for, to determine the percentage of allowed tax credits each taxpayer shall receive.

2. That the Department of Taxation shall develop guidelines implementing the provisions of this act. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia).

INTRODUCED

HB508