

SUMMARY ANALYSIS OF AMENDED BILL

Author: Saldana Analyst: Gail Hall Bill Number: AB 838
 Related Bills: See Prior Analysis Telephone: 845-6111 Amended Date: April 7, 2005
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Hybrid Or Alternative Fuel Vehicle Annual License Fees Credit

- DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.
- AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as introduced February 18, 2005.
- FURTHER AMENDMENTS NECESSARY.
- DEPARTMENT POSITION CHANGED TO _____.
- REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED February 18, 2005 STILL APPLIES.
- OTHER – See comments below.

SUMMARY

This bill would create a tax credit for taxpayers that purchase fuel-efficient vehicles.

SUMMARY OF AMENDMENTS

The April 7, 2005, amendments removed the “fuel economy rating” requirement from the bill.

The implementation concern from the department’s prior analysis of the bill as introduced February 18, 2005, remains the same and is included below for convenience. The remainder of the department’s prior analysis still applies.

POSITION

Pending.

THIS BILL

This bill would allow individuals and businesses that purchase “qualified vehicles” a tax credit equal to the amount of the VLF paid annually to register one of these vehicles.

Board Position:	Department Director	Date
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<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

A “qualified vehicle” means either of the following:

1. A hybrid vehicle or an alternative fuel vehicle that meets the AT PZEV emissions standard.
2. A hybrid vehicle that meets the ULEV, SULEV, or PZEV emissions standards.

The amount of tax credit that exceeds the taxpayer’s tax liability is not refundable, but instead, may be carried forward for use in future years without limitation.

This credit would remain in effect until January 1, 2013, and as of that date would be repealed.

IMPLEMENTATION CONSIDERATION

The department has identified the following implementation concern. Department staff is available to work with the author’s office to resolve this and other concerns that may be identified.

The department does not possess the expertise necessary to determine which vehicles qualify for this credit. The author should consider having a third-party, such as the Department of Motor Vehicles, certify which vehicles qualify for this credit.

LEGISLATIVE STAFF CONTACT

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