

By: Representative Franks

To: Ways and Means

HOUSE BILL NO. 342

1 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR TAXPAYERS WHO
 2 PURCHASE NEW HYBRID ELECTRIC VEHICLES WITHOUT THE INTENT TO RESELL
 3 THE VEHICLE; TO LIMIT THE AMOUNT OF THE TAX CREDIT TO THE LESSER
 4 OF \$2,000.00 OR THE AMOUNT OF INCOME TAX IMPOSED UPON THE TAXPAYER
 5 FOR THE TAXABLE YEAR REDUCED BY THE SUM OF ALL OTHER CREDITS
 6 ALLOWABLE TO THE TAXPAYER UNDER THE STATE INCOME TAX LAWS; TO
 7 PROVIDE THAT ANY UNUSED PORTION OF THE TAX CREDIT MAY BE CARRIED
 8 FORWARD FOR THE NEXT FIVE SUCCEEDING TAX YEARS; AND FOR RELATED
 9 PURPOSES.

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

11 **SECTION 1.** (1) For the purposes of this section, the term
 12 "hybrid electric vehicle" means a private carrier of passengers or
 13 light carrier of property, as defined in Section 27-51-101, that:

14 (a) Meets all applicable federal and state regulatory
 15 requirements;

16 (b) Meets the current vehicle exhaust standard set
 17 under the National Low-Emission Vehicle Program for gasoline
 18 powered passenger cars; and

19 (c) Draws propulsion energy from the following sources:

20 (i) An internal combustion engine or heat engine
 21 using any combustible fuel; and

22 (ii) An onboard rechargeable energy storage
 23 system.

24 (2) Subject to the provisions of this section, any taxpayer
 25 who purchases a new hybrid electric vehicle without the intent to
 26 resell the vehicle shall be entitled to a credit against the taxes
 27 imposed by this chapter in an amount equal to the lesser of Two
 28 Thousand Dollars (\$2,000.00) or the amount of income tax imposed
 29 upon the taxpayer for the taxable year reduced by the sum of all
 30 other credits allowable to the taxpayer under the state income tax

31 laws, except credit for tax payments made by or on behalf of the
32 taxpayer. In the case of married individuals filing separate
33 returns, each person may claim an amount not to exceed one-half
34 (1/2) of the tax credit that would have been allowed for a joint
35 return. The tax credit is available only for the taxable year
36 during which the hybrid electric vehicle was purchased, and a
37 hybrid electric vehicle may qualify for the credit only one (1)
38 time. To the extent that the allowable tax credit exceeds the
39 amount of the taxpayer's liability for the taxable year, the
40 unused portion of the tax credit may be carried forward for the
41 next five (5) succeeding tax years until the full amount of the
42 tax credit has been used.

43 **SECTION 2.** Section 1 of this act shall be codified as a
44 separate section in Chapter 7, Title 27, Mississippi Code of 1972.

45 **SECTION 3.** Nothing in this act shall affect or defeat any
46 claim, assessment, appeal, suit, right or cause of action for
47 taxes due or accrued under the income tax laws before the date on
48 which this act becomes effective, whether those claims,
49 assessments, appeals, suits or actions have been begun before the
50 date on which this act becomes effective or are begun after; and
51 the provisions of the income tax laws are expressly continued in
52 full force, effect and operation for the purpose of the
53 assessment, collection and enrollment of liens for any taxes due
54 or accrued and the execution of any warrant under those laws
55 before the date on which this act becomes effective, and for the
56 imposition of any penalties, forfeitures or claims for failure to
57 comply with those laws.

58 **SECTION 4.** This act shall take effect and be in force from
59 and after January 1, 2007.