



**WISCONSIN LEGISLATIVE COUNCIL
AMENDMENT MEMO**

<p>2007 Assembly Bill 371</p>	<p>Assembly Substitute Amendment 1 and Assembly Amendment 1 to Assembly Substitute Amendment 1</p>
<p><i>Memo published:</i> January 4, 2008</p>	<p><i>Contact:</i> Larry Konopacki, Staff Attorney (267-0683)</p>

2007 ASSEMBLY BILL 371

2007 Assembly Bill 371 would create income and franchise tax credits for certain flexible fuel vehicles and equipment and for electric motor vehicles (“vehicle credits”), and allow certain businesses that sell fuel as 85% ethanol to place “E85” symbols on specific information signs.

The vehicle credits would apply to new vehicles that are purchased or leased by the claimant that are licensed for highway use and that are manufactured in this state. An eligible vehicle must either be an E85 flex-fuel vehicle, a hybrid-electric vehicle, a neighborhood electric vehicle, or a plug-in hybrid-electric vehicle. The amount of a vehicle credit would range from \$500 for a vehicle with a purchase price of \$18,000 or more to \$100 for a vehicle with a purchase price of \$10,000 or more but less than \$11,000. Vehicle credits for leased new vehicles with these purchase prices would range from \$100 down to \$20 per year.

Vehicle credits would be available for claimants who purchase or lease an eligible vehicle during the taxable years beginning after December 31, 2007 and before January 1, 2013, and must be claimed in the taxable year in which the eligible vehicle was purchased or leased.

The bill would also provide a \$50 credit if the claimant purchased an engine modification kit in the taxable year to convert a motor vehicle that the claimant owns into an “eligible vehicle” and had the kit installed by a certified technician.

The bill would allow a business sign for “gas” motorist services on a specific information sign (SIS) to include an E85 symbol if the business offers E85 in sufficient quantities to generally meet public demand. A business with a SIS sign with an E85 symbol would be exempt from the annual \$40 SIS fee. The placement of E85 symbols would only be allowed until January 1, 2013 and would not affect SIS eligibility criteria.

ASSEMBLY SUBSTITUTE AMENDMENT 1

Assembly Substitute Amendment 1 would remove the requirement that vehicles eligible for the vehicle credits must be “manufactured” in this state and instead require the vehicles to be “assembled” in this state. The substitute amendment would also include motor vehicles “capable of using biodiesel fuel” to the list of eligible vehicles. To claim a vehicle credit for a vehicle capable of using biodiesel fuel or an E85 flex-fuel vehicle, the substitute amendment would require the proof of purchase of at least \$500 of biodiesel or E85. A claimant would have through December 31 of the calendar year after the calendar year in which the vehicle was acquired to purchase this fuel.

The substitute amendment also amends the time period in which the vehicle credits can be claimed and E85 symbols may be placed on an SIS to only apply in taxable years beginning in calendar year 2008, unless there is a 2/3 vote by the Joint Finance Committee (of the members present and voting) to extend the credits through taxable years beginning before January 1, 2011.

ASSEMBLY AMENDMENT 1 TO ASSEMBLY SUBSTITUTE AMENDMENT 1

Assembly Amendment 1 would remove the engine modification kit credit and add a definition of “purchase price” to clarify that sales tax and license fees should not be included when determining the amount of a vehicle credit. This amendment would also allow a vehicle credit to be claimed in the taxable year after the year in which the claimant acquires an eligible vehicle, to accommodate the time a person has to meet the \$500 fuel purchase requirement under the substitute amendment.

LEGISLATIVE HISTORY

Assembly Substitute Amendment 1 and Assembly Amendment 1 to the substitute amendment were offered by Representative Albers. The Assembly Committee on Biofuels and Sustainable Energy recommended adoption of these amendments and passage of Assembly Bill 371, as amended, on December 19, 2007, by votes of Ayes, 7; and Noes, 0.

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