

May 17, 2006

S 1576. MOTOR FUEL TAX INITIATIVES. Filed 5/17/06. *TO REQUIRE A REDUCTION AND DISPLACEMENT OF PETROLEUM PRODUCT DEPENDENCE, CREATE AN ALTERNATIVE FUELS TAX CREDIT, PROTECT CONSUMERS FROM EXTREME PRICING PRACTICES, AND TO TRANSFER FUNDS FROM THE GENERAL FUND TO THE HIGHWAY TRUST FUND.* Adds to Chapter 143 of the General Statutes a new Part 3 in Article 3B, "Reduction and Displacement of Petroleum Product Dependence." New GS 143-64.18 requires all state agencies, universities, and community colleges (agencies) with state-owned vehicle fleets, by "January 1, 2006," to implement plans to improve use of alternative fuels, synthetic lubricants, and efficient vehicles. Requires that agency plans achieve 20% reduction or displacement of current petroleum product by January 1, 2010. Requires Department of Administration to receive plans from agencies, compile a report on the plans, and report to the Joint Legislative Commission on Governmental Operations. Plans must not impede agency mission fulfillment and must address a long-term cost-benefit analysis, allowances for changes in vehicle usage, total miles driven, and exceptions due to technology, budgetary limitations, and emergencies. Agencies must report by September 1, 2006, and annually thereafter to Department of Administration on efforts to achieve the reductions, and the Department must compile and forward a report to the Joint Legislative Commission on Governmental Operations by November 1, 2006, and annually thereafter.

Adds to Chapter 105 of the General Statutes a new Article 3H, "Alternative Fuel Vehicle Tax Credit," which (1) creates a \$2,000 tax credit against the franchise or income tax for the year in which a taxpayer purchases or leases long term a new alternative fuel vehicle; (2) allows carry forward for five years of any unused portion of the credit; (3) requires the Department of Revenue to report to the Revenue Laws Study Committee and Fiscal Research Division by May 1 of each year the number of vehicles for which the credit is claimed and the total cost to the General Fund of the credits claimed; and (4) repeals the new article for vehicles purchased or leased on or after January 1, 2011.

Rewrites GS 75-38, which prohibits excessive pricing during states of disaster, to apply the same prohibition to states of emergency or abnormal market disruption. Provides that the prohibition applies to all parties in the chain of distribution.

Appropriates from General Fund to the Highway Trust Fund \$125 million to ensure integrity of the Highway Trust Fund. Effective July 1, 2006.

Intro. by Jenkins.

GS 75, 105, 143, APPROP