

A bill for an act
relating to taxation; providing an alternative fuel infrastructure credit; proposing
coding for new law in Minnesota Statutes, chapter 290.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[290.0693] ALTERNATIVE FUEL INFRASTRUCTURE CREDIT.**

Subdivision 1. Definitions. (a) For purposes of this section, the following terms
have the meanings given.

(b) "Alternative fuel" means:

(1) compressed natural gas;

(2) liquefied natural gas;

(3) liquefied petroleum gas;

(4) hydrogen;

(5) ethanol blends of 85 percent or more by volume; and

(6) electricity.

(c) "Alternative fuel vehicle refueling property" means any property, not including a
building and its structural components, that is used for:

(1) the storage or dispensing of an alternative fuel into the fuel tank of a motor
vehicle, but only if the storage or dispensing of the alternative fuel is at the point where
the fuel is delivered into the fuel tank of the motor vehicle; or

(2) the recharging of motor vehicles propelled by electricity, but only if the property
is located at the point where the motor vehicles are recharged.

(d) "Motor vehicle" means any vehicle which is manufactured primarily for use on
public streets, roads, and highways that has at least four wheels and is capable of being
propelled by an alternative fuel.

Subd. 2. **Credit.** (a) A taxpayer that constructs, installs, and places in service in this state a commercial or residential facility that is used for dispensing alternative fuel to motor vehicles is allowed a credit against the tax imposed by this chapter equal to:

(1) thirty percent of the cost of the alternative fuel vehicle refueling property; and

(2) thirty percent of the cost of installing the alternative fuel vehicle refueling property, including any installation of related pumps, storage tanks, and other related equipment necessary for the proper installation of the alternative fuel vehicle refueling property.

(b) The credit is limited to the liability for tax under this chapter, including the tax imposed by sections 290.0921 and 290.0922.

(c) If the amount of the credit under this subdivision for any taxable year exceeds the limitations under paragraph (b), the excess is a credit carryover to each of the four succeeding taxable years. The entire amount of the excess unused credit for the taxable year must be carried first to the earliest of the taxable years to which the credit may be carried. The amount of the unused credit that may be added under this paragraph may not exceed the taxpayer's liability for tax, less the credit for the taxable year.

(d) If an alternative fuel refueling property is disposed of or taken out of service during the time period that a taxpayer is eligible for a credit under this section, then the remainder, if any, of the credit that has not been claimed is forfeited.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2011, and before January 1, 2016.