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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO TAXATION -- EXCISE ON MOTOR VEHICLES AND TRAILERS

Introduced By: Senators Miller, Felag, Walaska, and Sosnowski

Date Introduced: February 05, 2015

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 44-18 of the General Laws entitled "Sales and Use Taxes -  
2 Liability and Computation" is hereby amended by adding thereto the following section:

3 **44-18-40.2. Exemption for qualified plug-in electric drive vehicles.** -- Notwithstanding  
4 any provision of the general laws to the contrary, the gross receipts from the sale of a qualified  
5 plug-in electric drive vehicles are exempt from the taxes imposed by this chapter and shall be  
6 taxed in conformance with the provisions of § 44-34-15.

7 SECTION 2. Chapter 44-34 of the General Laws entitled "Excise on Motor Vehicles and  
8 Trailers" is hereby amended by adding thereto the following section:

9 **44-34-15. Exemption for plug-in electric drive vehicles.** -- (a) For purposes of §§ 44-  
10 34-15 and 44-18-40.2 the following words shall have the meanings:

11 (1) "Excise tax" or "sales tax" means the tax imposed by this title.

12 (2) "Qualified plug-in electric drive vehicle" means a four-wheeled motor vehicle that:

13 (i) Is made by a manufacturer;

14 (ii) Is manufactured primarily for use on public streets, roads, and highways;

15 (iii) Is acquired for use or lease by the taxpayer and not for resale;

16 (iv) Is rated at not more than eight thousand, five hundred pounds (8,500 lbs.) unloaded  
17 gross vehicle weight;

18 (v) Has a maximum speed capability of at least fifty-five (55) miles per hour;

19 (vi) Is propelled to a significant extent by an electric motor that draws electricity from a

1 battery that:

2 (A) Has a capacity of not less than four kilowatt hours (4 kwh); and

3 (B) Is capable of being recharged from an external source of electricity.

4 (viii) Is acquired by the taxpayer on or after October 1, 2011, but before July 1, 2015.

5 (b) Tax credit. (1) A credit is allowed against the excise tax or sales tax imposed for a  
6 qualified plug-in electric drive vehicle.

7 (2) Subject to the limitations of subsections (c) through (e) of this section, the credit  
8 allowed under this section equals one hundred percent (100%) of the excise tax or sales tax  
9 imposed for a vehicle.

10 (c) The credit allowed under this section may not exceed two thousand dollars (\$2,000).

11 (d) The credit allowed under this section is limited to the acquisition of:

12 (1) One vehicle per individual; and

13 (2) Ten (10) vehicles per business entity.

14 (e) A credit may not be claimed under this section:

15 (1) Unless the vehicle is registered in the state; or

16 (2) Unless the owner has already conformed to any applicable state or federal laws or  
17 regulations governing clean-fuel vehicle or electric vehicle purchases applicable during the  
18 calendar year in which the vehicle is titled.

19 (f) The department of revenue shall administer the credit under this section.

20 SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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- 1 This act would exempt qualified electric plug-in drive vehicles from excise taxes.
- 2 This act would take effect upon passage.

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