

Louisiana Clean Fuels, the Louisiana Department of Revenue and the Louisiana Department of Natural Resources have jointly created a forum to answer your questions about legislation from the 2015 Regular Legislative Session that affect alternative fuels stakeholders in Louisiana. Act 147 and Act 125 both will have a significant impact on your operations. Each new Act has been assigned a contact person within the Department of Revenue who is a specialist in the corresponding subject matter to answer your questions about how the new rules will be administered.

The Department of Revenue will compile all the questions and answers received on these support lines. The FAQ Document will be made available here on the LCF Website as well as on the LDNR and LDR Websites.

SPECIAL FUELS TAX - ACT 147

Act 147 Beginning Jan. 1, 2016, the tax levied on special fuels shall not be collected pursuant to the annual decal but rather the amount of the tax shall be converted from a tax levied per gallon on such special fuel to a tax levied per gallon but based on the special fuel's energy content as follows:

1. Diesel gallon equivalent for liquefied natural gas (LNG) is equal to 6.060 lbs. of LNG.
 2. The gasoline gallon equivalent for LPG shall be energy equivalent rate equal to 73% percent of the state tax per gallon on gasoline and diesel fuel.
 3. Gasoline gallon equivalent for compressed natural gas (CNG) is equal to 5.660 lbs. of CNG.
- Decals will continue to be issued through Dec. 31, 2015, for vehicles that use special fuels in order for the taxes due on the fuel to be paid. The amount of the decal is being calculated at a rate of one-twelfth of the total annual decal amount for each month the decal is valid. Refunds will be issued in Jan. 2016 for renewals & new applications.
 - Dealers must register with LDR and post a \$50,000 bond or an amount equal to 3 months' tax liability, whichever is greater.
 - R.S. 47:818.112 requires the tax to be collected by any person or entity upon the delivery of the fuel into the fuel supply tank of a motor vehicle. R.S. 818.112(B) imposes the tax on the delivery of fuel into the supply tank of a motor vehicle by a special fuel fleet dealer or other dealer not in connection with a sale. The return is due by the 20th of the month.
 - Licensed dealers are entitled to a 1/3 of 1% discount for the expense of collecting, accounting for, reporting and timely remitting the taxes collected and for keeping records.
 - For gasoline and diesel--Reduces the administrative discount to supplier for filing returns and remitting payment timely from one and one-half percent to one-half percent and reduces the deduction from 1% to one-third of 1% for licensed distributor or importer. See RIB 15-022.

Questions can be directed to Shanda McClain 225-219-2780 or the Policy Services Excise email address: pracexcsevtaxpolicyinquiries@la.gov

CHANGE IN THE TAX CREDIT FOR CONVERSION OF VEHICLES TO ALTERNATIVE FUEL USAGE

Act 125 of the 2015 Regular Legislative Session amends La. R.S. 47:6035(C)(1) to change the tax credit for conversion of vehicles to alternative fuel usage from 50 percent of the cost of the qualified clean-burning motor vehicle fuel property to 36 percent.

In addition, currently, according to La. R.S. 47:6035(D), if a taxpayer is unable to or elects not to determine the exact cost attributable to such qualified clean-burning motor vehicle fuel property, the taxpayer may claim a credit equal to 10 percent of the cost of the motor vehicle or \$3,000, whichever is less. Act 125 would change those amounts to 7.2 percent of the cost of the motor vehicle or \$1,500, whichever is less. See RIB 15-011.

Questions can be directed to William Little 225-219-2780 or the Policy Services CIFT email address: PracCIFTPolicyInquiries@La.GOV