



Virginia Clean Cities



Stakeholder Newsletter

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Diamond and Platinum Level Stakeholders



Alternative Fuel Tax Extender Legislation



On Dec. 19, President Obama signed the Tax Increase Prevention Act of 2014 into law, which among its provisions, offers a retroactive extension of the federal \$0.50/gallon alternative fuels excise tax credits and a return of the 30% alternative refueling infrastructure tax credits. The alternative fuel credit alone is worth some \$397 million.

However, Congress did not opt to extend the credits into 2015 and beyond. Taking that into consideration, the Senate Finance Committee will have to start negotiations again when they return in January. Senator Orrin Hatch, the incoming Chairman of the Committee, stated that he hopes to achieve permanency for these tax credits.

Included in the bill are Amendments to the Internal Revenue Code that would extend certain expiring tax provisions relating to the energy sector in H.R. 5771. The excise tax credits cover compressed natural gas (CNG), liquefied natural gas (LNG), propane autogas and other alternative transportation fuels.

H.R.5771 reinstates the \$1,000 home refueling tax credit for 2014, and the 30% alternative refueling infrastructure tax credit. The credit, that is capped at \$30,000, is an incentive designed to promote building CNG and other refueling stations.

President Obama also signed the National Defense Authorization Act for fiscal-year 2015. This legislation contains a provision modifying the federal Corporate Average Fuel Economy (CAFE) program. In the past, original equipment manufacturers could earn credits for compliance with the CAFE program by producing bi-fuel vehicles, subject to a cap in the number of credits. However, the new NDAA provision removes the credit cap for bi-fuel natural gas vehicles.

If you have any questions about these tax credits, please contact Alleyn Harned at (540) 568-8896, or your tax professional.