

EIP: ALTERNATIVE FUEL VEHICLE TRANSPORTATION TAX CREDIT PROGRAM



OREGON
DEPARTMENT OF
ENERGY

The transportation tax credit program sunsets at the end of tax year 2017. The Oregon Department of Energy does not support the extension of this tax credit and the program should be allowed to sunset as scheduled.

The transportation tax credit program provides incentives to businesses, organizations, public bodies, nonprofits, and federally recognized tribes that purchase alternative fuel vehicle infrastructure or purchase or convert alternative fuel fleet vehicles. The transportation tax credit program is limited to issuing no more than \$20 million in tax credit preliminary certifications during any biennium.

The current transportation tax credit program is divided into two project areas:

- Alternative fuel vehicle fleet projects requiring the acquisition or conversion of two or more vehicles that use an alternative fuel and produce lower exhaust emissions, or are more energy efficient than equivalent vehicles fueled by gasoline or diesel.
- Alternative fuel vehicle infrastructure projects requiring installation or construction of a facility for mixing, storing, compressing or dispensing fuels for alternative fuel vehicles, and any other necessary and reasonable equipment.

BACKGROUND

The transportation tax credit program was created by HB 3672 (2011) and is focused on investments in alternative fuel vehicle infrastructure and transit services projects.

Applications for alternative fuel vehicle infrastructure projects were first accepted in 2012.

The program was amended in 2012 by HB 4079 to expand project eligibility and created a process for allocating preliminary certifications for transit services projects. Transit services projects were operated by government or nonprofit entities that receive state or federal funding for transit services provided to the public. Applications for transit services were first accepted in 2012 and the program sunset at the end of tax year 2015.

Alternative fuel vehicle fleet projects were added to the transportation tax credit program in 2013 by SB 583. ODOE started accepting fleet applications in 2015.

The alternative fuel vehicle infrastructure and fleet transportation tax credit program sunsets at the end of tax year 2017.

PROGRAM FUNCTION

Under the transportation tax credit program, ODOE issues opportunity announcements by transportation project type. Applicants submit an application for preliminary certification for their projects. ODOE performs a completeness reviews on a first come, first served basis and complete applications receive a technical review.

STATUTE:

[ORS 315.336](#)

[ORS 469B.320 – 469B.347](#)

RULES:

[OAR 330-220](#)

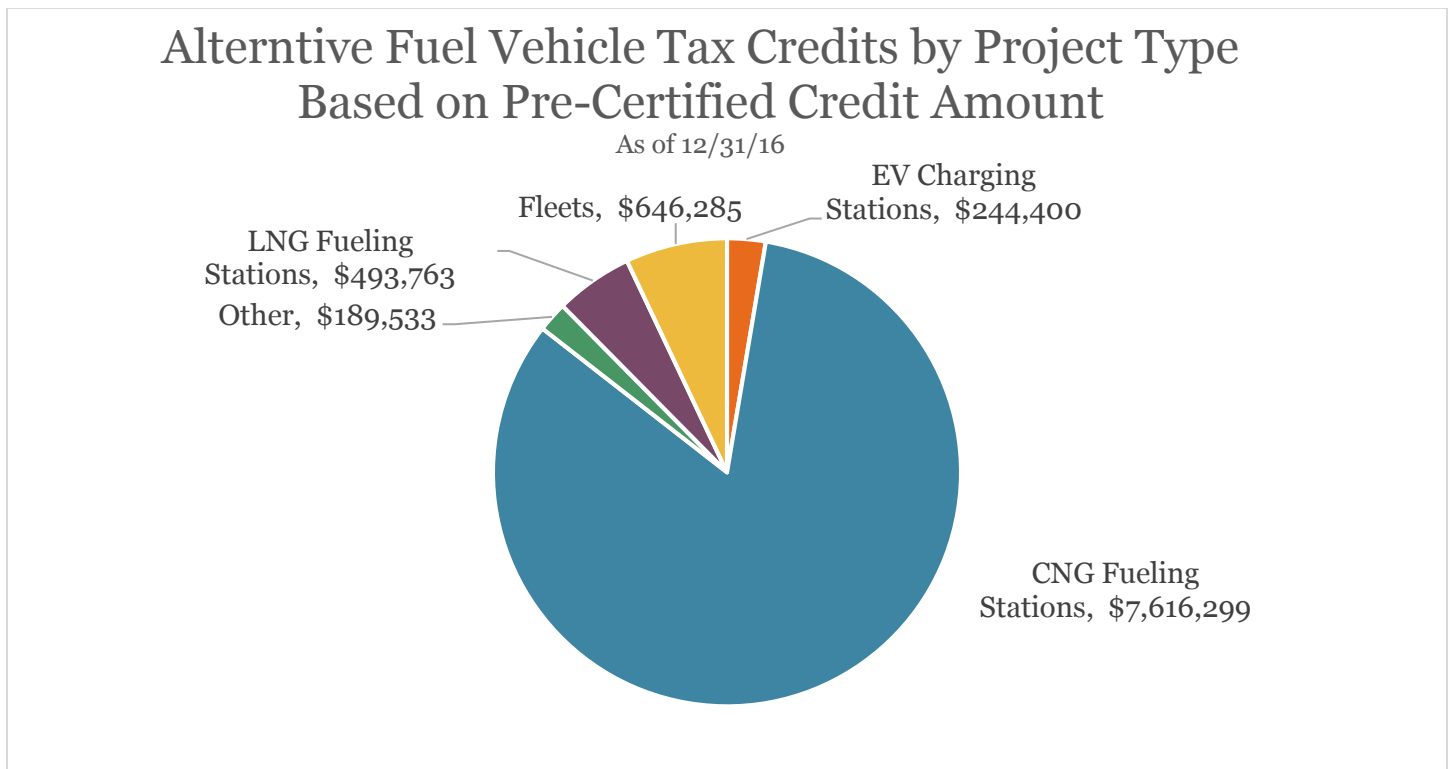
WEBSITE:

www.oregon.gov/energy/At-Work/Pages/Energy-Incentive-Programs.aspx

Successful applicants are awarded a preliminary certificate for the tax credit which is valid for three years or until the sunset of the program.

Once transportation projects are completed and operating, project owners submit a final application. ODOE reviews the final application and may inspect a project before issuing a tax credit for up to 35 percent of the certified cost. The transportation tax credit is claimed over five years. All applicants pay fees to cover the cost of administering the program.

All projects issued a tax credit must remain in operation for at least five years. ODOE may inspect a project prior to issuing a final certificate or during the required five year period of operation.



Project owners may use the tax credit themselves or sell the tax credit using the pass-through or transfer process administered by ODOE. The present value rate for the sale of the tax credit is calculated by formula adopted in rule set at the time ODOE receives the preliminary application.

The Department of Revenue administers tax laws which also govern the issuance and claiming of tax credits. ODOE defers to the Department of Revenue when addressing issues of how the tax credit may be claimed. ODOE provides data regarding tax credits issued to the Department of Revenue.

Oregon Department of Energy | 550 Capitol St. NE | Salem, OR 97301
www.oregon.gov/energy | AskEnergy@oregon.gov | 1-800-221-8035