



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2007 Assembly Bill 174

**Assembly
Amendment 1**

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Assembly Bill 174 creates a state income tax credit, applicable for taxable years 2007 through 2011, for up to \$1,000 of state sales and use tax paid in the taxable year to purchase a hybrid motor vehicle that has a federal Environmental Protection Agency rating of no less than 40 miles per gallon or a federal Environmental Protection Agency rating that is at least 15% greater than the same models of motor vehicles that are not hybrid motor vehicles. The maximum \$1,000 credit would apply to each hybrid motor vehicle purchased in the taxable year.

Assembly Amendment 1 delays the availability of the tax credit by one year and provides that the state income tax credit will be available for taxable years 2008 through 2012. Assembly Amendment 1 also provides a more detailed definition of the type of vehicle eligible for the tax credit. Under the amendment, the state income tax credit is available for state sales and use taxes paid on the purchase of a “hybrid-electric vehicle.” A “hybrid-electric vehicle” is defined to be a vehicle that meets all of the following conditions:

1. Has a chemically fueled internal combustion engine that is capable of operating on gasoline, one or more alternative fuels, or diesel fuel, or by means of a gas turbine;
2. Is also equipped with an electric motor for propulsion and an energy storage device, and
3. Has a federal Environmental Protection Agency rating of no less than 40 miles per gallon or a federal Environmental Protection Agency rating that is at least 15% greater than the same models of motor vehicles that are not hybrid motor vehicles.

Legislative History

Assembly Amendment 1 was offered by Representative Parisi. On June 13, 2007, the Assembly Committee on Ways and Means adopted Assembly Amendment 1 by a vote of Ayes, 12; Noes, 0; and recommended the bill for passage, as amended, by a vote of Ayes, 12; Noes, 0.

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