

Alternative Fuel Vehicle Infrastructure and Conversion Credits FAQs Individual Income, Corporate and Unincorporated Franchise Taxes

Beginning in 2014, there are two non-refundable tax credits available to individuals, unincorporated businesses and corporations for two alternative fuel related credits. The credits cannot exceed the taxpayer's tax liability in the year claimed.

1. What are the credits?

- a. The Alternative Fuel Infrastructure Credit is a credit of 50% of the allowable costs for the purchase and installation of an alternative fuel storage and dispensing or charging station at a private residence, or on non-residential property designed for use by the public.

The credit shall not exceed \$1,000 per station at a private residence and \$10,000 per station on non-residential property designed for use by the public. Any unused credits can be carried forward for two years.

- b. The Alternative Fuel Vehicle Conversion Credit is a credit of 50% of the equipment and labor costs attributable to the cost of converting a motor vehicle licensed in the District that operates on petroleum diesel or petroleum derived gasoline to a motor vehicle that operates on one of the listed acceptable operating fuels:

- 85% Ethanol
- Natural gas
- Compressed natural gas
- Liquefied natural gas
- Liquefied petroleum gas
- Biodiesel (excluding kerosene)
- Electricity from a vehicle charging station
- Hydrogen

This credit is limited to \$19,000 per vehicle. Any unused credit for alternative fuel vehicle conversion cannot be carried forward.

2. What are the allowable costs?

The costs for which the infrastructure installation credit is claimed cannot include the purchase of land, access to land, purchase of an existing qualified alternative fuel vehicle refueling property or construction or purchase of any structure.

3. What are my filing requirements?

If you are claiming one of these credits, complete the Residential Alternative Fuel Conversion and Infrastructure Credit for Individual Income tax return filers and attach it to the D40, Schedule U. Complete the Commercial Alternative Fuel Vehicle Conversion and Infrastructure Credit form if filing a Corporate or Unincorporated Franchise tax return and attach it to the D20 or D30, Schedule UB.

For individuals, if the gross income derived from operation of infrastructure station(s) exceeds \$12,000, you must file a DC Form D-30, Unincorporated Franchise Tax Return. If the gross income is less than \$12,000, report this on the Individual Income Tax Return, D-40.

4. How should the form be completed if there is more than one manufacturer or invoice number?

Complete as many forms as necessary and attach to the D40, Schedule U, or the D20/D30, Schedule UB.

5. How do you handle a situation where the public use dispensing stations are at two different locations?

File multiple forms as long as the dispensing stations are located in the District of Columbia.

6. Can I claim multiple credits of the same type, e.g., multiple public-use charging stations or fuel storage dispensing stations?

Yes, you are able to claim multiple credits.

7. What do I need to retain for my records?

The original paid invoice(s), receipt(s) or equivalent proof of payment(s) for the modification of the petroleum derived gasoline vehicle or diesel fuel vehicle to the alternative fueled vehicle covered under this credit, and for the purchase and installation of qualified fuel storage and dispensing or charging equipment for the stations covered under these credits must be retained.

For claims, copies must be included at the time of filing your D40, D20 or D30.

8. Can the credit be forfeited?

Yes, any unused alternative fuel infrastructure installation credits are forfeited if the alternative fuel storage and dispensing or charging equipment on a qualified alternative fuel refueling property is no longer used to dispense or sell alternative fuel to the public. You may not claim a tax credit for the portion of the tax year after the date of cessation.