

CLEAN-FUEL VEHICLE REFUELING PROPERTY

The Energy Policy Act of 2005 (H.R. 6) creates a new credit that permits taxpayers to claim a 30% credit, up to \$30,000, for the cost of installing clean-fuel vehicle refueling property to be used in a trade or business of the taxpayer or installed at the principal residence of the taxpayer. Clean fuels are defined as any fuel of which at least 85% of the volume consists of ethanol, natural gas, compressed natural gas, liquefied natural gas, liquefied petroleum gas, or hydrogen and any mixture of diesel fuel and biodiesel containing at least 20% biodiesel.

The portion of the credit attributable to property of a character subject to an allowance for depreciation is treated as a portion of the general business credit; the remainder of the credit is allowable to the extent of the excess of the regular tax (reduced by certain other credits) over the alternative minimum tax for the taxable year. With regard to property used by a tax-exempt entity, the credit applies to the taxpayer who sold the infrastructure property to the tax-exempt entity.

The credit applies to property placed in service between December 31, 2005 and December 31, 2009.

The law repeals code section 179A (the current deduction) after December 31, 2005.