

By: Chisum

H.B. No. 2971

A BILL TO BE ENTITLED

AN ACT

relating to certain tax exemptions to promote sales and use of hydrogen-powered motor vehicles in this state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter E, Chapter 152, Tax Code, is amended by adding Section 152.090 to read as follows:

Sec. 152.090. CERTAIN HYDROGEN-POWERED MOTOR VEHICLES. (a) In this section, "hydrogen-powered motor vehicle" means a vehicle that meets the Phase II standards established by the California Air Resources Board as of September 1, 2007, for an ultra low-emission vehicle II or stricter Phase II emission standards established by that board and:

(1) is hydrogen power capable and has a fuel economy rating of at least 45 miles per gallon; or

(2) is fully hydrogen-powered.

(b) The taxes imposed by this chapter do not apply to the sale or use of a hydrogen-powered motor vehicle.

SECTION 2. Subchapter D, Chapter 162, Tax Code, is amended by adding Section 162.3022 to read as follows:

Sec. 162.3022. EXEMPTION FOR CARBON-FREE HYDROGEN AND HYDROGEN-POWERED MOTOR VEHICLES. (a) The tax imposed by this subchapter does not apply to carbon-free hydrogen.

(b) Notwithstanding any other provision of this chapter, a hydrogen-powered motor vehicle, as defined by Section 152.090, is

1 not required to have a liquefied gas tax decal or a special use  
2 liquefied gas tax decal.

3 (c) For purposes of this section, hydrogen is considered to  
4 be carbon-free if:

5 (1) any carbon resulting from the production of the  
6 hydrogen is captured during production and:

7 (A) permanently geologically sequestered; or

8 (B) used in the production of other carbon-based  
9 products at a rate that exceeds 90 percent of the input; and

10 (2) any carbon resulting from the generation of any  
11 electricity used in the production of the hydrogen is captured and:

12 (A) permanently geologically sequestered; or

13 (B) used in the production of other carbon-based  
14 products at a rate that exceeds 90 percent of the input.

15 (d) For purposes of Subsection (c), the generation of wind  
16 power, solar power, hydroelectricity, geothermal electricity,  
17 tidal electricity, or nuclear power is considered to result in no  
18 carbon.

19 SECTION 3. The changes in law made by this Act do not affect  
20 tax liability accruing before the effective date of this Act. That  
21 liability continues in effect as if this Act had not been enacted,  
22 and the former law is continued in effect for the collection of  
23 taxes due and for civil and criminal enforcement of the liability  
24 for those taxes.

25 SECTION 4. This Act takes effect September 1, 2007.