



S.B. 159

124th General Assembly
(As Introduced)

Sens. Herington, DiDonato, Ryan, Brady, Hagan, Austria

BILL SUMMARY

- Increases period of exemption from inspection for new motor vehicles that have not been sold from one or two years to six years.
- Allows credits against corporate franchise and personal income taxes for vehicle inspection fees.

CONTENT AND OPERATION

Exemption from inspection

(sec. 3704.14(F)(4))

Under existing law, motor vehicles that are sold for the first time by a manufacturer, distributor, or dealer to a customer are exempt from inspection under the motor vehicle inspection and maintenance ("E-Check") program for either one year or two years from issuance of the certificate of title, depending on where the vehicle is registered. (Inspection is required only in those counties that fail to meet standards under the federal Clean Air Act.) (See **COMMENT.**) The bill extends the exemption period to six years, even if the first purchaser resells the vehicle during that period.

Tax credits

(secs. 5733.51 and 5747.391)

The bill allows refundable credits against the corporate franchise and personal income taxes for inspection fees charged for vehicles that are more than six years old. If the amount of the fees exceeds the tax due, the taxpayer may get a refund of the excess. To claim the credit, the taxpayer must provide the tax commissioner with copies of inspection certificates, receipts for fees paid, and any other information the commissioner may require.

COMMENT

In all the counties in which the E-Check program now operates, the exemption period is two years. Pursuant to the contracts entered into by the Environmental Protection Agency with the contractors that operate the program, if a new motor vehicle is sold by a purchaser during the exemption period, it may become subject to inspection requirements regardless of the age of the vehicle.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	09-18-01	p. 892

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