Ohio Legislative Service Commission

Bill Analysis

Mackenzie Damon

S.B. 209

129th General Assembly
(As Introduced)

Sens. Hite and Turner, Bacon, Burke

BILL SUMMARY

- Reduces the amount of sales tax due on the purchase or lease of a qualifying electricity-powered automobile by up to $2,000.
- Applies to a vehicle leased or purchased on or after the bill's effective date, but before 2015.

CONTENT AND OPERATION

Electric vehicle sales tax reduction

The bill authorizes a reduction in the amount of sales and use tax that would otherwise be owed on the purchase or lease of a qualifying electric vehicle. The tax reduction equals the lesser of $2,000 or the amount of the tax otherwise due. If the vehicle is procured for personal use by an individual consumer, then the reduction applies to one purchase or lease of a qualified vehicle per year. If the vehicle is procured for use in a consumer's business, then the reduction applies to the purchase or lease of up to ten qualified vehicles per year.[1]

To qualify for the sales tax reduction, a vehicle must meet the following requirements:

(1) Be a four-wheeled vehicle manufactured primarily for use on public highways and not modified from its original manufacturer specifications;

(2) Have a maximum speed capability greater than or equal to 55 miles per hour;

[1] R.C. 5739.025(H)(2).

(3) Be propelled "to a significant extent" by an electric motor that draws power from a battery with a capacity of at least four kilowatt-hours that can be recharged via an external source of electricity;

(4) Be registered in Ohio for operation on public highways;

(5) Be purchased or leased for personal or business use and not for the purpose of resale on or after the bill's effective date, but before January 1, 2015.[2]

Under current law, the purchase of motor vehicles that are registered in Ohio are subject to the state's sales or use tax and the use tax of the county or transit authority territory where registered. The state sales and use tax rate is 5½%; county and transit authority rates currently range from ¼% to 2¾%.

HISTORY

ACTION	DATE
Introduced	08-30-11

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[2] R.C. 5739.025(H)(1) and Section 3.