

2009 Recovery Act: Increased Tax Credit for Alternative Fueling Property

The *American Recovery and Reinvestment Tax Act of 2009* (2009 Recovery Act) increases the credit for alternative fuel vehicle refueling property for businesses and individuals. Before this increase, the credit equaled 30 percent of the cost of qualified alternative fuel vehicle (QAFV) refueling property placed in service during the tax year, limited to \$30,000 per property for property subject to depreciation, and \$1,000 per property for other property.

QAFV refueling property is property, excluding buildings and structures, the original use of which begins with the taxpayer, and that is not used predominately outside of the United States. The property must be subject to depreciation or installed on property that is used as the taxpayer's principal residence. Use of the property must be either for storing alternative fuel at the point where the fuel is delivered into the fuel tank of a motor vehicle propelled by the fuel, or to dispense alternative fuel at that point into the fuel tank of a motor vehicle propelled by the fuel.

Under the 2009 Recovery Act, the credit for QAFV refueling property placed in service in 2009 and 2010 by businesses is increased to 50 percent for a maximum credit of \$50,000. For individuals, the credit is also increased to 50% for 2009 and 2010, for a maximum credit of \$2,000. For hydrogen refueling property, the 30% rate continues to apply, but the maximum credit is raised to \$200,000.

Because your most recent tax returns have indicated that you are in the gas station industry and may own qualifying alternative vehicle refueling property, the enhancement in this credit could apply to you. Please call us so that we may discuss how you can maximize your tax benefit from this enhanced credit.