

PRIVATE TAXPAYER RULING LR00-003

March 31, 2000

The following private taxpayer ruling is in response to your letter dated February 18, 2000. You request that the department rule on whether two individuals who jointly purchase an alternative fuel vehicle may each claim a portion of the Arizona income tax credit for the purchase of an alternative fuel vehicle. The following is a restatement of the facts in your letter.

Statement of facts:

On September 4, 1999, Taxpayer, accompanied by her father, went to an auto dealership to purchase a natural gas vehicle. During the discussion about the advantages of purchasing the car, the Arizona income tax credit for the purchase of an alternative fuel vehicle was considered. Taxpayer determined that she did not have sufficient tax liability to make the purchase economically worthwhile. Taxpayer then inquired of the dealership whether she and her father could jointly purchase the car to take advantage of the income tax credit. She was advised that if she and her father jointly purchased the car, they could both claim the tax credit as long as the total amount claimed was not more than the maximum allowable credit. Taxpayer and her father jointly purchased the alternative fuel vehicle.

Applicable statutory provision:

Arizona Revised Statutes (A.R.S.) § 43-1086 provides an income tax credit for each taxpayer who purchases one or more new original equipment manufactured alternative fuel vehicles for use in Arizona.

Discussion:

A.R.S. § 43-1086 provides, in relevant part, an income tax credit for each taxpayer who purchases one or more new original equipment manufactured alternative fuel vehicles for use in Arizona. The statute provides for a split of the credit in only two situations. Subsection F provides that a husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim only one-half of the credit. Subsection G provides that co-owners of a business may each claim only the pro rata share of the credit based on the ownership interest. There is no provision in the statute which allows other individual joint purchasers of an alternative fuel vehicle to split the allowable credit. Since there is no provision to split the credit, only one of the joint purchasers may claim the credit.

Conclusion and ruling:

The following ruling is given based on the facts presented in your request. The department rules that the joint purchasers of an alternative fuel vehicle described in your request dated February 18, 2000, may not split the Arizona income tax credit for the purchase of an alternative fuel vehicle. The credit may be claimed by only one of the joint purchasers.

The conclusion in this private taxpayer ruling does not extend beyond the facts as presented in the letter dated February 18, 2000, requesting a private taxpayer ruling.

This response is a private taxpayer ruling and the determination herein is based solely on the facts provided in your request. The determination in this taxpayer ruling is the present position of the department. This determination is subject to change should the facts prove to be different on audit. If it is determined that undisclosed facts were substantial or material to the department's making of an accurate determination, this taxpayer ruling shall be null and void. Further, the determination is subject to future change depending on changes in statutes, administrative rules, case law or notification of a different department position.