

STATE OF OKLAHOMA

1st Session of the 48th Legislature (2001)

HOUSE BILL HB1783

By: Tyler

AS INTRODUCED

An Act relating to alternative fuels; amending 68 O.S. 1991, Section 708, as amended by Section 17, Chapter 284, O.S.L. 1997 (68 O.S. Supp. 2000, Section 708), which relates to special fuel tax exemptions; adding school district motor vehicles to exemptions; amending 68 O.S. 1991, Section 2357.22, as last amended by Section 1, Chapter 224, O.S.L. 1996 (68 O.S. Supp. 2000, Section 2357.22), which relates to tax credit for investments in alternative fuels; extending qualifying date; amending 74 O.S. 1991, Section 130.13, as last amended by Section 1, Chapter 343, O.S.L. 1998 and 130.17, as last amended by Section 6, Chapter 366, O.S.L. 1999 (74 O.S. Supp. 2000, Sections 130.13 and 130.17), which relate to the Alternative Fuels Technician Certification Act and to examinations and certification; modifying electrical vehicle technician definition; providing for certain requirements for permit certification or renewal; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 68 O.S. 1991, Section 708, as amended by Section 17, Chapter 284, O.S.L. 1997 (68 O.S. Supp. 2000, Section 708), is amended to read as follows:

Section 708. The tax levied by this act shall not apply to:

1. Special fuel delivered into the supply tanks of or used by motor vehicles owned by the United States of America. Provided this exemption shall not apply to supply tank deliveries in Oklahoma unless the special fuel dealer demands and receives of the purchaser an exemption certificate of the kind and type prescribed and furnished by the Comptroller General of the United States, and such certificates shall be presented to the Tax Commission in lieu of the tax only by the special fuel dealer handling and delivering such special fuel;

2. Special fuel delivered into the supply tanks of farm tractors and stationary engines owned and operated by the purchaser of such special fuel and used exclusively for agricultural purposes as such purposes and uses are defined and enumerated in paragraph 2 of Section 500.3 of this title;

3. Special fuel imported into Oklahoma in the fuel supply tanks of motor vehicles commonly known and designated as automobiles, as distinguished from truck-type vehicles, which are constructed for, and being used solely for, the transportation of persons for purposes other than for hire or compensation and provided that the aggregate capacity of the fuel supply tank or tanks of any such vehicle shall not exceed thirty (30) gallons;

4. Special fuel imported into Oklahoma in the fuel supply tank or tanks of a motor vehicle when said supply tank or tanks and any additional containers have an aggregate capacity of not more than twenty-five (25) gallons and if such motor vehicle is not being used as a common carrier of persons or property, a contract carrier of persons or property, or as a private commercial carrier of property;

5. Special fuel imported into Oklahoma in the fuel supply tanks of motor vehicles and used on the highways of this state in importing or exporting livestock and farm products in the raw state, including cotton, whether in the seed or ginned, and including cottonseed and baled hay, when such commodities are moved from farm to market, or from market to farm on a vehicle or on vehicles owned and operated by a bona fide farmer not engaged in motor vehicle transportation for hire or compensation;

6. Special fuel used exclusively in road machinery and equipment built for and being used on location in the construction, repair or maintenance of public highways, roads and bridges by road contractors and by counties, cities and towns of this state, provided, however, this exemption shall not apply to automobiles nor

to truck-type vehicles such as dump trucks, flatbed trucks and pickup trucks;

7. Special fuel used exclusively in passenger motor buses or coaches, having a seating capacity of ten or more persons, when such fuel is purchased by and used exclusively in public transit systems operated by any county, city, or town of this state, or by any public trust created under the laws of this state of which a county, city, or town of this state is the sole beneficiary thereof.

Provided this exemption shall be allowed only when supported by a certificate executed by such city or trust on forms prescribed and furnished by the Tax Commission; ~~and~~

8. Special fuel purchased by any county, city or town for use as fuel to propel motor vehicles on the public roads and highways of this state, when said vehicles are being operated for the sole benefit of said county, city or town; provided that if the special fuel is placed directly into the fuel supply tank or tanks of the motor vehicle by the supplier, an exemption certificate must be furnished to the supplier on forms prescribed and furnished by the Tax Commission; and

9. Special fuel purchased by any Oklahoma school district for use of fuel to propel motor vehicles on the public roads and highways of this state, when the vehicles are being operated for the sole benefit of the school district, provided that if the special fuel is placed directly into the fuel supply tank or tanks of the motor vehicle by the supplier, an exemption certificate must be furnished to the supplier on forms prescribed and furnished by the Tax Commission.

SECTION 2. AMENDATORY 68 O.S. 1991, Section 2357.22, as last amended by Section 1, Chapter 224, O.S.L. 1996 (68 O.S. Supp. 2000, Section 2357.22), is amended to read as follows:

Section 2357.22 A. For tax years beginning before January 1, ~~2002~~ 2009, there shall be allowed a one-time credit against the

income tax imposed by Section 2355 of this title for investments in qualified clean-burning motor vehicle fuel property placed in service after December 31, 1990, and for investments in qualified electric motor vehicle property placed in service after December 31, 1995.

B. As used in this section, "qualified clean-burning motor vehicle fuel property" means:

1. Equipment installed to modify a motor vehicle which is propelled by gasoline or diesel fuel so that the vehicle may be propelled by methanol, "M-85" which is a mixture of methanol and gasoline containing at least eighty-five percent (85%) methanol, compressed natural gas, liquefied natural gas or liquefied petroleum gas or a combination of at least fifty percent (50%) natural gas;

2. A motor vehicle originally equipped so that the vehicle may be propelled by compressed natural gas, liquefied natural gas or liquefied petroleum gas, or propelled by methanol or "M-85" but only to the extent of the portion of the basis of such motor vehicle which is attributable to the storage of such fuel, the delivery to the engine of such motor vehicle of such fuel, and the exhaust of gases from combustion of such fuel; or

3. Property which is directly related to the delivery of methanol, "M-85", compressed natural gas, liquefied natural gas or liquefied petroleum gas into the fuel tank of a motor vehicle propelled by such fuel including compression equipment and storage tanks for such fuel at the point where such fuel is so delivered but only if such property is not used to deliver such fuel into any other type of storage tank or receptacle and such fuel is not used for any purpose other than to propel a motor vehicle. However, property which is directly related to the delivery of methanol or "M-85" into the fuel tank of a motor vehicle propelled by such fuel as provided in this paragraph shall be used solely for the purpose of delivering methanol or "M-85" and no other purpose in order to

claim the tax credit pursuant to this section. If the property is used for any other purpose than the delivery of methanol or "M-85", the tax credit shall immediately be refunded to the Oklahoma Tax Commission. The Corporation Commission shall inspect the property to determine whether the property is being used for the delivery of methanol or "M-85".

C. As used in this section, "qualified electric motor vehicle property" means a motor vehicle originally equipped to be propelled only by electricity but only to the extent of the portion of the basis of such motor vehicle which is attributable to the propulsion of the vehicle by electricity. The term "qualified electric motor vehicle property" shall not apply to vehicles known as "golf carts," "go-carts" and other motor vehicles which are manufactured principally for use off the streets and highways.

D. The credit provided for in subsection A of this section shall be fifty percent (50%) of the cost of the qualified clean-burning motor vehicle fuel property or qualified electric motor vehicle property.

E. In cases where no credit has been claimed pursuant to subsection D of this section and in which a motor vehicle is purchased by a taxpayer with qualified clean-burning motor vehicle fuel property or qualified electric motor vehicle property installed by the manufacturer of such motor vehicle and the taxpayer is unable or elects not to determine the exact basis which is attributable to such property, the taxpayer may claim a credit in an amount not exceeding the lesser of ten percent (10%) of the cost of the motor vehicle or One Thousand Five Hundred Dollars (\$1,500.00).

F. If the tax credit allowed pursuant to subsection A of this section exceeds the amount of income taxes due or if there are no state income taxes due on the income of the taxpayer, the amount of the credit not used as an offset against the income taxes of a

taxable year may be carried forward as a credit against subsequent income tax liability for a period not to exceed three (3) years.

G. 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 (1/2) of the tax credit that would have been allowed for a joint return.

SECTION 3. AMENDATORY 74 O.S. 1991, Section 130.13, as last amended by Section 1, Chapter 343, O.S.L. 1998 (74 O.S. Supp. 2000, Section 130.13), is amended to read as follows:

Section 130.13 As used in the Alternative Fuels Technician Certification Act:

1. "Alternative fuels" means fuels which result in comparably lower emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide, or particulates or any combination thereof and includes compressed natural gas, liquefied petroleum gas, liquefied natural gas, methanol, "M-85" which is a mixture of methanol and gasoline containing at least eighty-five percent (85%) methanol, ethanol, reformulated gasoline and electricity;

2. "Alternative fuels equipment technician" means any person who installs, modifies, repairs or renovates equipment used in the conversion of any engines to engines fueled by alternative fuels. This includes originally equipped manufactured engines dedicated to operate on an alternative fuel;

3. "Alternative fuels compression technician" means any person who installs, services, modifies, repairs or renovates fill stations;

4. "Board" means the Alternative Fuels Technician Hearing Board;

5. "Committee" means the Committee of Alternative Fuels Technician Examiners;

6. "Electric vehicle technician" means any person who installs, modifies, repairs, performs maintenance on, or renovates charging

systems, motors, controllers, power sources, or the drive systems of vehicles powered by eighty (80) volts of electricity or greater. This includes vehicles originally equipped as electric vehicles, vehicles converted from gliders, and vehicles converted from internal combustion engine vehicles;

7. "Fill station" means the property which is directly related to the delivery of compressed natural gas or liquefied natural gas into the fuel tank of a motor vehicle propelled by such fuel including the compression equipment and storage vessels for such fuel at the point where the fuel is delivered; and

8. "Glider" means a vehicle built without an engine or fuel system for the purpose of converting it to an electric vehicle.

SECTION 4. AMENDATORY 74 O.S. 1991, Section 130.17, as last amended by Section 6, Chapter 366, O.S.L. 1999 (74 O.S. Supp. 2000, Section 130.17), is amended to read as follows:

Section 130.17 A. 1. All applications for examination, certification or renewal of certification shall be made in writing to the Department of Central Services on forms provided, if necessary, by the Department of Central Services. All applications shall be accompanied by the appropriate fee.

2. If a person holds a valid Class I Dealer Permit properly issued by the Oklahoma Liquefied Petroleum Gas Board, pursuant to Section 420.4 of Title 52 of the Oklahoma Statutes, the requirements of this section for certification or renewal of certification shall not be required, with the exception of testing and related fees.

B. The following shall be the fees charged under the Alternative Fuels Technician Certification Act.

Alternative Fuels Equipment Technician Examination	\$50.00
Alternative Fuels Compression Technician Examination	\$50.00
Electric Vehicle Technician Examination	\$50.00
Alternative Fuels Equipment Technician Certificate	\$50.00
Alternative Fuels Compression Technician Certificate	\$50.00

Electric Vehicle Technician Certificate	\$50.00
Certificate renewal, if made within thirty (30) days after expiration:	
Alternative Fuels Equipment Technician Certificate	\$50.00
Alternative Fuels Compression Technician Certificate	\$50.00
Electric Vehicle Technician Certificate	\$50.00
Penalty for Late Certification Renewal:	
Alternative Fuels Equipment Technician Certificate	\$10.00
Alternative Fuels Compression Technician Certificate	\$10.00
Electric Vehicle Technician Certificate	\$10.00
Certificate fee if certified after March 1 of each year:	
Alternative Fuels Equipment Technician Certificate	\$25.00
Alternative Fuels Compression Technician Certificate	\$25.00
Electric Vehicle Technician Certificate	\$25.00
Certificate fee if certified after June 1 of each year:	
Alternative Fuels Equipment Technician Certificate	\$12.50
Alternative Fuels Compression Technician Certificate	\$12.50
Electric Vehicle Technician Certificate	\$12.50
Company, Partnership or Corporation Certificate	\$100.00
Annual Renewal for Company, Partnership or Corporation Certificate	\$100.00
Training Program Certification (one-time fee)	\$500.00
Alternative Fuels Installation Certification	
Per Location	\$1,000.00
Annual Renewal of Alternative Fuels Installation Certification Per Location	\$1,000.00

SECTION 5. This act shall become effective November 1, 2001.

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