

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 SUBCOMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 2777

By: DeWitt

6
7 COMMITTEE SUBSTITUTE

8 (Revenue and taxation - credit for certain fuel
9 efficient vehicles -

10 effective date)

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

14 SECTION 1. AMENDATORY 68 O.S. 2001, Section 2357.22, as
15 amended by Section 1, Chapter 186, O.S.L. 2003 (68 O.S. Supp. 2007,
16 Section 2357.22), is amended to read as follows:

17 Section 2357.22 A. For tax years beginning before January 1,
18 ~~2009~~ 2014, there shall be allowed a one-time credit against the
19 income tax imposed by Section 2355 of this title for investments in
20 qualified clean-burning motor vehicle fuel property placed in
21 service after December 31, 1990, and for investments in qualified
22 electric motor vehicle property placed in service after December 31,
23 1995.

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

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

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

16 3. Property which is directly related to the delivery of
17 methanol, "M-85", compressed natural gas, liquefied natural gas or
18 liquefied petroleum gas into the fuel tank of a motor vehicle
19 propelled by such fuel including compression equipment and storage
20 tanks for such fuel at the point where such fuel is so delivered but
21 only if such property is not used to deliver such fuel into any
22 other type of storage tank or receptacle and such fuel is not used
23 for any purpose other than to propel a motor vehicle. However,
24 property which is directly related to the delivery of methanol or

1 "M-85" into the fuel tank of a motor vehicle propelled by such fuel
2 as provided in this paragraph shall be used solely for the purpose
3 of delivering methanol or "M-85" and no other purpose in order to
4 claim the tax credit pursuant to this section. If the property is
5 used for any other purpose than the delivery of methanol or "M-85",
6 the tax credit shall immediately be refunded to the Oklahoma Tax
7 Commission. The Corporation Commission shall inspect the property
8 to determine whether the property is being used for the delivery of
9 methanol or "M-85".

10 C. As used in this section, "qualified electric motor vehicle
11 property" means a motor vehicle originally equipped to be propelled
12 only by electricity to the extent of the full purchase price of the
13 vehicle; provided, if a motor vehicle is also equipped with an
14 internal combustion engine, then such vehicle shall be considered
15 "qualified electric motor vehicle property" only to the extent of
16 the portion of the basis of such motor vehicle which is attributable
17 to the propulsion of the vehicle by electricity. The term
18 "qualified electric motor vehicle property" shall not apply to
19 vehicles known as "golf carts," "go-carts" and other motor vehicles
20 which are manufactured principally for use off the streets and
21 highways.

22 D. The credit provided for in subsection A of this section
23 shall be fifty percent (50%) of the cost of the qualified clean-

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1 burning motor vehicle fuel property or qualified electric motor
2 vehicle property.

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

12 F. If the tax credit allowed pursuant to subsection A of this
13 section exceeds the amount of income taxes due or if there are no
14 state income taxes due on the income of the taxpayer, the amount of
15 the credit not used as an offset against the income taxes of a
16 taxable year may be carried forward as a credit against subsequent
17 income tax liability for a period not to exceed three (3) years.

18 G. A husband and wife who file separate returns for a taxable
19 year in which they could have filed a joint return may each claim
20 only one-half (1/2) of the tax credit that would have been allowed
21 for a joint return.

22 SECTION 2. This act shall become effective January 1, 2009.

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