

**SUBCOMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB1374 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Adopted: \_\_\_\_\_

Amendment submitted by: Purcy Walker

\_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 PROPOSED SUBCOMMITTEE  
4 SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 1374

By: Walker

7 PROPOSED SUBCOMMITTEE SUBSTITUTE

8 An Act relating to revenue and taxation; authorizing  
9 income tax credits for certain donations to public  
10 school districts; limiting use of donations to  
11 conversion of vehicles to compressed natural gas;  
12 defining term; providing for carryover; limiting  
13 total amounts of credits issued annually; providing  
14 for proportional credit under certain circumstances;  
15 requiring funds be expended or returned within  
16 certain time period; authorizing income tax credits  
17 for certain donations to public school districts;  
18 limiting use of donations to installation of certain  
19 qualifying renewable energy systems; defining term;  
20 authorizing carryover of credits; requiring itemized  
21 accounting of costs; requiring rating of wind turbine  
22 devices; requiring rating of photovoltaic devices;  
23 requiring ratings for geothermal and cooling system  
24 equipment; requiring minimum limited warranty period;  
limiting total amounts of credits issued annually;  
providing for proportional credit under certain  
circumstances; requiring funds be expended or  
returned within certain time period; providing for  
codification; and providing an effective date.

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

22 SECTION 1. NEW LAW A new section of law to be codified  
23 in the Oklahoma Statutes as Section 2357.22A of Title 68, unless  
24 there is created a duplication in numbering, reads as follows:

1       A. For all taxable years beginning after December 31, 2009,  
2 there shall be allowed a credit against the income tax imposed by  
3 Section 2355 of Title 68 of the Oklahoma Statutes for donations made  
4 to a public school district in this state to be used exclusively for  
5 investments in qualified clean-burning motor vehicle fuel property  
6 owned by the public school district that is placed in service after  
7 December 31, 2009.

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

10       1. Equipment installed to modify a motor vehicle which is  
11 propelled by gasoline or diesel fuel so that the vehicle may be  
12 propelled by compressed natural gas;

13       2. A motor vehicle originally equipped so that the vehicle may  
14 be propelled by compressed natural gas but only to the extent of the  
15 portion of the basis of such motor vehicle which is attributable to  
16 the storage of such fuel, the delivery to the engine of such motor  
17 vehicle of such fuel, and the exhaust of gases from combustion of  
18 such fuel; or

19       3. Property which is directly related to the delivery of  
20 compressed natural gas into the fuel tank of a motor vehicle  
21 propelled by such fuel including compression equipment and storage  
22 tanks for such fuel at the point where such fuel is so delivered but  
23 only if such property is not used to deliver such fuel into any  
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1 other type of storage tank or receptacle and such fuel is not used  
2 for any purpose other than to propel a motor vehicle.

3 C. If the tax credit allowed pursuant to subsection A of this  
4 section exceeds the amount of income taxes due or if there are no  
5 state income taxes due on the income of the taxpayer, the amount of  
6 the credit not used as an offset against the income taxes of a  
7 taxable year may be carried forward as a credit against subsequent  
8 income tax liability for a period not to exceed five (5) years.

9 D. The total of the credits authorized by this section shall  
10 not exceed Four Hundred Thousand Dollars (\$400,000.00) annually. In  
11 the event the total tax credits claimed pursuant to this section  
12 exceed Four Hundred Thousand Dollars (\$400,000.00) in any calendar  
13 year, the Oklahoma Tax Commission shall adjust the amount of credit  
14 on a pro rata basis. In no event shall the credit be claimed more  
15 than once by a taxpayer each taxable year.

16 E. If the public school district does not use the funds donated  
17 pursuant to this section within five (5) years of the donation then  
18 the public school district shall remit the amount of the donation to  
19 the Oklahoma Tax Commission. The Tax Commission shall then  
20 apportion the monies returned pursuant to Section 2352 of Title 68  
21 of the Oklahoma Statutes.

22 SECTION 2. NEW LAW A new section of law to be codified  
23 in the Oklahoma Statutes as Section 2357.32C of Title 68, unless  
24 there is created a duplication in numbering, reads as follows:

1       A. 1. For all taxable years beginning after December 31, 2009,  
2 a taxpayer may claim a credit against the tax imposed by Section  
3 2355 of Title 68 of the Oklahoma Statutes in an amount equal to a  
4 donation to a public school district to be used exclusively for  
5 having a qualifying renewable energy system installed on property in  
6 this state owned by the public school district.

7       2. Expenditures by public school districts under this  
8 subsection may include the total costs of the qualifying renewable  
9 energy system and the direct expenses incurred for equipment,  
10 construction, and installation of the system, less all seller  
11 rebates and remunerations of any type resulting from the  
12 installation.

13       B. As used in this section "qualifying renewable energy system"  
14 means any of the following:

15       1. Wind energy system with a rated production capacity of five  
16 hundred kilowatts (500 kw) or less;

17       2. Photovoltaic energy system with a rated production capacity  
18 of five hundred kilowatts (500 kw) or less; or

19       3. Geothermal heating and cooling system.

20       C. If the tax credit allowable to the taxpayer pursuant to  
21 subsection A of this section exceeds the taxes due on the income of  
22 the taxpayer, the amount of the claim not used as an offset against  
23 the income taxes of a taxable year may be carried forward as a  
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1 credit against subsequent income tax liabilities for up to five (5)  
2 years.

3 D. An itemized accounting of the cost and an affidavit  
4 attesting to the facts thereof shall be furnished to the public  
5 school district by the supplier of the qualifying renewable energy  
6 system. The itemized accounting shall include the amounts properly  
7 attributable to the cost of acquisition, construction, and  
8 installation of the qualifying renewable energy system.

9 E. Any wind turbines purchased by public school districts with  
10 donations received pursuant to this section shall be rated in  
11 accordance with the latest performance rating standards published or  
12 endorsed by the American Wind Energy Association (AWEA) and the  
13 manufacturer must be a member in good standing of AWEA or the Small  
14 Wind Industry Council (SWIC) in order to qualify pursuant to this  
15 section.

16 F. Any photovoltaic modules purchased by public school  
17 districts with donations received pursuant to this section shall be  
18 rated in accordance with the latest United States Department of  
19 Energy (US-DOE) or Solar Energy Industries Association (SEIA)  
20 endorsed performance rating standard and the manufacturer must be a  
21 member in good standing of SEIA in order to qualify pursuant to this  
22 section.

23 G. Any geothermal heating and cooling systems purchased by  
24 public school districts with donations received pursuant to this

1 section shall be rated in accordance with the latest performance  
2 rating standards published or endorsed by the American Refrigeration  
3 Institute (ARI) and the manufacturer and installing contractor must  
4 be a member in good standing of the International Ground Source Heat  
5 Pump Association (IGSHPA) in order to qualify pursuant to this  
6 section.

7 H. Any qualifying renewable energy systems purchased by public  
8 school districts with donations received pursuant to this section  
9 shall carry, as a minimum, a five-year limited warranty covering  
10 defects in design and manufacture. For other than owner-installed  
11 systems, qualifying renewable energy systems shall also carry, as a  
12 minimum, a five-year limited warranty covering defects in  
13 installation.

14 I. The total of the credits authorized by this section shall  
15 not exceed Four Hundred Thousand Dollars (\$400,000.00) annually. In  
16 the event the total tax credits claimed pursuant to this section  
17 exceed Four Hundred Thousand Dollars (\$400,000.00) in any calendar  
18 year, the Oklahoma Tax Commission shall adjust the amount of credit  
19 on a pro rata basis. In no event shall the credit be claimed more  
20 than once by a taxpayer each taxable year.

21 J. If the public school district does not use the funds donated  
22 pursuant to this section within five (5) years of the donation then  
23 the public school district shall remit the amount of the donation to  
24 the Oklahoma Tax Commission. The Tax Commission shall then

1 apportion the monies returned pursuant to Section 2352 of Title 68  
2 of the Oklahoma Statutes.

3 SECTION 3. This act shall become effective January 1, 2010.

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