

1 ENGROSSED HOUSE  
2 BILL NO. 3024

By: Hickman of the House

and

Mazzei of the Senate

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7 An Act relating to revenue and taxation; amending 68  
8 O.S. 2001, Section 2357.22, as last amended by  
9 Section 1, Chapter 308, O.S.L. 2009 (68 O.S. Supp.  
10 2009, Section 2357.22), which relates to electric  
11 vehicle tax credits; defining terms; creating credit  
12 for certain low-speed electric vehicles; modifying  
13 definition; limiting amount of credits; prohibiting  
14 repeated claim of credit; prohibiting claim of credit  
15 for used vehicles; providing for reduction of certain  
16 tax credits in certain circumstances; and declaring  
17 an emergency.

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

19 SECTION 1. AMENDATORY 68 O.S. 2001, Section 2357.22, as  
20 last amended by Section 1, Chapter 308, O.S.L. 2009 (68 O.S. Supp.  
21 2009, Section 2357.22), is amended to read as follows:

22 Section 2357.22 A. As used in this section:

23 1. "Motor vehicle" means a motor vehicle originally designed by  
24 the manufacturer to operate lawfully and principally on streets and  
highways;

2. "Medium-speed electrical motor vehicle" means any self-  
propelled, electrically powered four-wheeled motor vehicle, equipped

1 with a roll cage or crush-proof body design, whose speed attainable  
2 in one (1) mile is more than thirty (30) miles per hour but not  
3 greater than thirty-five (35) miles per hour; and

4 3. "Qualified low-speed electric motor vehicle" means a new  
5 four-wheeled electrical vehicle that is powered by an electric motor  
6 that draws current from rechargeable storage batteries or other  
7 sources of electrical current and whose top speed is greater than  
8 twenty (20) miles per hour but not greater than twenty-five (25)  
9 miles per hour and is manufactured in compliance with the National  
10 Highway Traffic Safety Administration standards for low-speed  
11 vehicles in 49 C.F.R. 571.500. In order to be eligible the vehicle  
12 must also be street legal in Oklahoma and eligible to be tagged in  
13 this state.

14 B. For tax years beginning before January 1, 2015, there shall  
15 be allowed a one-time credit against the income tax imposed by  
16 Section 2355 of this title for investments in qualified clean-  
17 burning motor vehicle fuel property placed in service after December  
18 31, 1990, ~~and~~ for investments in qualified electric motor vehicle  
19 property placed in service after December 31, 1995, and for  
20 investments in a qualified low-speed electric motor vehicle placed  
21 into service after December 31, 2009.

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

24

1           1. Equipment installed to modify a motor vehicle which is  
2 propelled by gasoline or diesel fuel so that the vehicle may be  
3 propelled by a hydrogen fuel cell, compressed natural gas, liquefied  
4 natural gas or liquefied petroleum gas. The equipment covered by  
5 this paragraph must be new and must not have been previously used to  
6 modify or retrofit any vehicle propelled by gasoline or diesel fuel;

7           2. A motor vehicle originally equipped so that the vehicle may  
8 be propelled by a hydrogen fuel cell, compressed natural gas,  
9 liquefied natural gas or liquefied petroleum gas but only to the  
10 extent of the portion of the basis of such motor vehicle which is  
11 attributable to the storage of such fuel, the delivery to the engine  
12 of such motor vehicle of such fuel, and the exhaust of gases from  
13 combustion of such fuel;

14           3. Property, not including a building and its structural  
15 components, which is:

- 16           a. directly related to the delivery of compressed natural  
17 gas, liquefied natural gas or liquefied petroleum gas,  
18 or hydrogen, for commercial purposes or for a fee or  
19 charge, into the fuel tank of a motor vehicle  
20 propelled by such fuel including compression equipment  
21 and storage tanks for such fuel at the point where  
22 such fuel is so delivered but only if such property is  
23 not used to deliver such fuel into any other type of  
24 storage tank or receptacle and such fuel is not used

1 for any purpose other than to propel a motor vehicle,  
2 or

3 b. a metered-for-fee, public access recharging system for  
4 motor vehicles propelled in whole or in part by  
5 electricity. The property covered by this paragraph  
6 must be new, and must not have been previously  
7 installed or used to refuel vehicles powered by  
8 compressed natural gas, liquefied natural gas or  
9 liquefied petroleum gas, hydrogen or electricity; or

10 4. Property which is directly related to the compression and  
11 delivery of natural gas from a private home or residence, for  
12 noncommercial purposes, into the fuel tank of a motor vehicle  
13 propelled by compressed natural gas. The property covered by this  
14 paragraph must be new and must not have been previously installed or  
15 used to refuel vehicles powered by natural gas.

16 ~~C.~~ D. As used in this section, "qualified electric motor  
17 vehicle property" means a new motor vehicle or new medium-speed  
18 electric motor vehicle originally equipped to be propelled only by  
19 electricity; provided, if a motor vehicle is also equipped with an  
20 internal combustion engine, then such vehicle shall be considered  
21 "qualified electric motor vehicle property" only to the extent of  
22 the portion of the basis of such motor vehicle which is attributable  
23 to the propulsion of the vehicle by electricity. The term  
24 "qualified electric motor vehicle property" shall not apply to

1 vehicles known as "low-speed electric vehicles", vehicles known as  
2 "golf carts", or to "go-carts" and ~~other~~ motor vehicles which are  
3 manufactured principally for use off the streets and highways.

4 ~~D. As used in this section, "motor vehicle" means a motor~~  
5 ~~vehicle originally designed by the manufacturer to operate lawfully~~  
6 ~~and principally on streets and highways.~~

7 E. The credit provided for in subsection ~~A~~ B of this section  
8 shall be as follows:

9 1. ~~For~~

10 a. for the qualified clean-burning motor vehicle fuel  
11 property defined in paragraph 1 or 2 of subsection ~~B~~ C  
12 of this section ~~and for the qualified electric motor~~  
13 ~~vehicle property,~~ fifty percent (50%) of the cost of  
14 the qualified clean-burning motor vehicle fuel  
15 property ~~or,~~ and

16 b. for qualified electric motor vehicle property the  
17 credit claimed by the taxpayer may not exceed the  
18 lesser of fifty percent (50%) of the cost of the  
19 qualified electric motor vehicle property or Five  
20 Thousand Dollars (\$5,000.00);

21 2. For qualified clean-burning motor vehicle fuel property  
22 defined in paragraph 3 of subsection ~~B~~ C of this section, a per-  
23 location credit of seventy-five percent (75%) of the cost of the  
24 qualified clean-burning motor vehicle fuel property; ~~and~~

1        3. For qualified clean-burning motor vehicle fuel property  
2 defined in paragraph 4 of subsection B C of this section, a per-  
3 location credit of the lesser of fifty percent (50%) of the cost of  
4 the qualified clean-burning motor vehicle fuel property or Two  
5 Thousand Five Hundred Dollars (\$2,500.00); and

6        4. For qualified low-speed electric motor vehicle property  
7 defined in paragraph 3 of subsection A of this section a per-vehicle  
8 credit of Five Hundred Dollars (\$500.00).

9        F. In cases where no credit has been claimed pursuant to  
10 paragraph 1 of subsection E of this section by any prior owner and  
11 in which a motor vehicle is purchased by a taxpayer with qualified  
12 clean-burning motor vehicle fuel property or qualified electric  
13 motor vehicle property installed by the manufacturer of such motor  
14 vehicle and the taxpayer is unable or elects not to determine the  
15 exact basis which is attributable to such property, the taxpayer may  
16 claim a credit in an amount not exceeding the lesser of ten percent  
17 (10%) of the cost of the motor vehicle or One Thousand Five Hundred  
18 Dollars (\$1,500.00).

19        G. If the tax credit allowed pursuant to subsection A B of this  
20 section exceeds the amount of income taxes due or if there are no  
21 state income taxes due on the income of the taxpayer, the amount of  
22 the credit not used as an offset against the income taxes of a  
23 taxable year may be carried forward as a credit against subsequent  
24 income tax liability for a period not to exceed five (5) years.

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

5 I. The Oklahoma Tax Commission is herein empowered to  
6 promulgate rules by which the purpose of this section shall be  
7 administered, including the power to establish and enforce penalties  
8 for violations thereof.

9 J. No credit may be claimed pursuant to this section for any  
10 used vehicle or any vehicle which has previously been the basis of a  
11 credit claimed pursuant to this section.

12 K. 1. As used in this subsection, "federal income tax credit"  
13 means a credit allowed against income tax imposed pursuant to the  
14 Internal Revenue Code of 1986, as amended, or any other credit that  
15 may be used to reduce a tax liability imposed by federal law based  
16 upon the expenditure to acquire tangible personal property.

17 2. For taxable years beginning after December 31, 2009, every  
18 credit allowed by this section shall be reduced in an amount equal  
19 to any federal income tax credit that has been claimed on a federal  
20 income tax return as a result of the same acquisition upon which the  
21 federal income tax credit was based and for the same tax year.

22 SECTION 2. It being immediately necessary for the preservation  
23 of the public peace, health and safety, an emergency is hereby  
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1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

3 Passed the House of Representatives the 9th day of March, 2010.

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6 Presiding Officer of the House of  
7 Representatives

8 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2010.

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11 Presiding Officer of the Senate

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