

THE HOUSE OF REPRESENTATIVES  
Tuesday, April 13, 2010

Committee Substitute for  
ENGROSSED  
Senate Bill No. 1267

COMMITTEE SUBSTITUTE FOR ENGROSSED SENATE BILL NO. 1267 - By:  
MAZZEI AND STANISLAWSKI of the Senate and HICKMAN of the House.

[ revenue and taxation - creating tax credit for manufacture of certain electric  
vehicles - sales tax relief - providing date by which claims for relief must be  
filed – codification –  
emergency ]

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

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

4 Section 2357.22 A. For tax years beginning before January 1, 2015, there shall be  
5 allowed a one-time credit against the income tax imposed by Section 2355 of this title ~~for~~:

6 1. For investments in qualified clean-burning motor vehicle fuel property placed in  
7 service after December 31, 1990; and ~~for~~

8 2. For investments in qualified electric motor vehicle property placed in service  
9 after December 31, 1995 and ending upon the effective date of this act.

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

3 1. Equipment installed to modify a motor vehicle which is propelled by gasoline or  
4 diesel fuel so that the vehicle may be propelled by a hydrogen fuel cell, compressed  
5 natural gas, liquefied natural gas or liquefied petroleum gas; provided, equipment  
6 installed on a vehicle propelled by a hydrogen fuel cell shall only be eligible for tax year  
7 2010. The equipment covered by this paragraph must be new and must not have been  
8 previously used to modify or retrofit any vehicle propelled by gasoline or diesel fuel;

9 2. A motor vehicle originally equipped so that the vehicle may be propelled by a  
10 hydrogen fuel cell, compressed natural gas, liquefied natural gas or liquefied petroleum  
11 gas but only to the extent of the portion of the basis of such motor vehicle which is  
12 attributable to the storage of such fuel, the delivery to the engine of such motor vehicle of  
13 such fuel, and the exhaust of gases from combustion of such fuel. A motor vehicle  
14 originally equipped so that the vehicle may be propelled by a hydrogen fuel cell shall only  
15 be eligible for tax year 2010;

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

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

1 storage tank or receptacle and such fuel is not used for any purpose  
2 other than to propel a motor vehicle, or  
3 b. a metered-for-fee, public access recharging system for motor vehicles  
4 propelled in whole or in part by electricity. The property covered by  
5 this paragraph must be new, and must not have been previously  
6 installed or used to refuel vehicles powered by compressed natural gas,  
7 liquefied natural gas or liquefied petroleum gas, hydrogen or  
8 electricity.

9 Any property covered by this paragraph which is related to the delivery of hydrogen into  
10 the fuel tank of a motor vehicle shall only be eligible for tax year 2010; or

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

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

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.

1 vehicles known as "golf carts," "go-carts" and other motor vehicles which are  
2 manufactured principally for use off the streets and highways.

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

6 E. The credit provided for in subsection A of this section shall be as follows:

7 1. For the qualified clean-burning motor vehicle fuel property defined in paragraph  
8 1 or 2 of subsection B of this section and for the qualified electric motor vehicle property,  
9 fifty percent (50%) of the cost of the qualified clean-burning motor vehicle fuel property  
10 or qualified electric motor vehicle property;

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

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

18 F. In cases where no credit has been claimed pursuant to paragraph 1 of subsection  
19 E of this section by any prior owner and in which a motor vehicle is purchased by a  
20 taxpayer with qualified clean-burning motor vehicle fuel property or qualified electric  
21 motor vehicle property installed by the manufacturer of such motor vehicle and the  
22 taxpayer is unable or elects not to determine the exact basis which is attributable to such

1 property, the taxpayer may claim a credit in an amount not exceeding the lesser of ten  
2 percent (10%) of the cost of the motor vehicle or One Thousand Five Hundred Dollars  
3 (\$1,500.00).

4 G. If the tax credit allowed pursuant to subsection A of this section exceeds the  
5 amount of income taxes due or if there are no state income taxes due on the income of the  
6 taxpayer, the amount of 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 income tax liability  
8 for a period not to exceed five (5) years.

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

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

15 SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma  
16 Statutes as Section 2357.402 of Title 68, unless there is created a duplication in  
17 numbering, reads as follows:

18 A. As used in this section:

19 1. "Electric motor vehicle" means a new electric motor vehicle or new medium-  
20 speed electric motor vehicle originally equipped to be propelled only by electricity and  
21 required to be registered pursuant to the Oklahoma Vehicle License and Registration  
22 Act. The term "electric motor vehicle" shall not apply to "low-speed electric motor

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.

1 vehicles". In order to be eligible the vehicle must also be street legal in Oklahoma and  
2 eligible to be tagged in this state;

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

10 3. "Medium-speed electric motor vehicle" means any self-propelled, electrically  
11 powered four-wheeled motor vehicle, equipped with a roll cage or crush-proof body  
12 design, whose speed attainable in one (1) mile is more than thirty (30) miles per hour but  
13 not greater than thirty-five (35) miles per hour. In order to be eligible the vehicle must  
14 also be street legal in Oklahoma and eligible to be tagged in this state.

15 B. For tax years beginning after December 31, 2010, there shall be allowed a one-  
16 time credit to electric motor vehicle manufacturers against the income tax imposed by  
17 Section 2355 of Title 68 of the Oklahoma Statutes for electric motor vehicles and low-  
18 speed electric motor vehicles manufactured in Oklahoma after December 31, 2010.

19 C. The credit provided for in subsection B of this section shall be as follows:

20 1. For an electric motor vehicle defined in paragraph 1 of subsection A of this  
21 section a per-vehicle manufactured credit of Two Thousand Dollars (\$2,000.00); and

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.

1           2. For a low-speed electric motor vehicle defined in paragraph 2 of subsection A of  
2 this section a per-vehicle manufactured credit of Five Hundred Dollars (\$500.00).

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

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

11           F. The credit authorized by this section shall not be claimed with respect to any one  
12 vehicle based upon multiple definitions as set out in subsection A of this section even if  
13 such vehicle would otherwise qualify for tax credits based upon qualification pursuant to  
14 more than one definition.

15           SECTION 3. AMENDATORY 68 O.S. 2001, Section 5013, as amended by  
16 Section 15, Chapter 155, O.S.L. 2007 (68 O.S. Supp. 2009, Section 5013), is amended to  
17 read as follows:

18           Section 5013. A. ~~All~~ Except as otherwise provided in this subsection, all claims for  
19 relief authorized by the Sales Tax Relief Act shall be received by and in the possession of  
20 the Oklahoma Tax Commission on or before June 30 of each year for sales taxes paid for  
21 the preceding calendar year. Claimants shall be allowed a direct credit against income  
22 taxes owed by such claimant to the State of Oklahoma for the amount of such claim, in

1 which case such claim shall be filed with the income tax return of the claimant on or  
2 before April 15 following the close of the taxable year, unless the claimant has been  
3 granted an extension of time in order to file an income tax return, in which case the  
4 claim may be filed with the return filed pursuant to the extension. In all cases where  
5 claimants have no income tax liability or where the sales tax relief authorized by this  
6 section exceeds the income tax liability of the claimant, such claim, or any balance  
7 thereof, shall be paid out in the same manner and out of the same fund as refunds of  
8 income taxes are paid and so much of said fund as is necessary for such purposes is  
9 hereby appropriated. For sales tax paid during tax years after 2010, a claim for relief  
10 shall be filed no later than October 15 after the end of the tax year during which the  
11 sales tax was paid.

12 B. 1. Sales tax relief for families receiving assistance pursuant to the federal  
13 program of Temporary Aid to Needy Families shall be transferred from the Oklahoma  
14 Tax Commission to the Department of Human Services as provided in this subsection for  
15 purposes of obtaining federal matching funds to increase the payments to recipients of  
16 Temporary Aid to Needy Families. The determination of the amount to be transferred by  
17 the Oklahoma Tax Commission shall be based on a statistical report prepared monthly  
18 by the Department of Human Services which identifies the number of recipients of  
19 Temporary Aid to Needy Families. The amount transferred shall equal one-twelfth  
20 (1/12) of the annual sales tax relief for all persons receiving assistance during the month  
21 of the report. The amount transferred shall be paid out of the Income Tax Withholding  
22 Refund Account of the Tax Commission.

1           2. Monies received from the Tax Commission shall be deposited in the Human  
2 Services Fund. Recipients of assistance pursuant to the federal program of Temporary  
3 Aid to Needy Families shall receive sales tax relief as a part of their monthly Temporary  
4 Aid to Needy Families.

5           C. All duties of the Tax Commission to make sales tax relief payments to recipients  
6 since January 1, 1992, of state supplemental payments or medical assistance as patients  
7 in long-term care facilities who have received such supplemental payments or medical  
8 assistance throughout the calendar year are hereby transferred to the Department of  
9 Human Services. Receipt of such supplemental payments or medical assistance shall  
10 constitute automatic eligibility for sales tax relief under the provisions of the Sales Tax  
11 Relief Act. Sales tax relief payments to persons identified in this subsection shall be  
12 made as soon as practicable after the commencement of each calendar year. The  
13 Department of Human Services shall notify the Tax Commission of the total amount of  
14 the sales tax relief payments made in order that such sum may be transferred from the  
15 Income Tax Withholding Refund Account of the Tax Commission to the Department.

16           D. For those individuals receiving assistance or state supplemental payments as  
17 provided in subsections B and C of this section, the Department of Human Services shall  
18 make the sales tax relief payment without the requirement of an additional application  
19 form.

20           E. To avoid duplication of payment, at the end of each calendar year, the  
21 Department of Human Services shall provide the Tax Commission with a list of the  
22 individuals who received sales tax relief from the Department. Persons receiving sales

1 tax relief payments directly from the Department of Human Services shall not be  
2 entitled to additional sales tax relief payments from the Tax Commission.

3 F. The Department of Human Services and the Tax Commission shall work jointly  
4 to notify individuals receiving assistance or state supplemental payments from the  
5 Department of Human Services of their possible entitlement and right to apply for sales  
6 tax relief as provided for in the Sales Tax Relief Act.

7 SECTION 4. It being immediately necessary for the preservation of the public  
8 peace, health and safety, an emergency is hereby declared to exist, by reason whereof  
9 this act shall take effect and be in full force from and after its passage and approval.

10 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,  
11 dated 04-12-10 - DO PASS, As Amended.