

THE HOUSE OF REPRESENTATIVES
Monday, March 1, 2010

Committee Substitute for
House Bill No. 3024

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 3024 - By: HICKMAN of the House.

An Act relating to revenue and taxation; amending 68 O.S. 2001, Section 2357.22, as last amended by Section 1, Chapter 308, O.S.L. 2009 (68 O.S. Supp. 2009, Section 2357.22), which relates to electric vehicle tax credits; defining terms; creating credit for certain low-speed electric vehicles; modifying definition; limiting amount of credits; prohibiting repeated claim of credit; prohibiting claim of credit for used vehicles; and declaring an 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. As used in this section:
5 1. “Motor vehicle” means a motor vehicle originally designed by the manufacturer
6 to operate lawfully and principally on streets and highways;
7 2. “Medium-speed electrical motor vehicle” means any self-propelled, electrically
8 powered four-wheeled motor vehicle, equipped with a roll cage or crush-proof body
9 design, whose speed attainable in one (1) mile is more than thirty (30) miles per hour but
10 not greater than thirty-five (35) miles per hour; and

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

8 B. For tax years beginning before January 1, 2015, there shall be allowed a one-
9 time credit against the income tax imposed by Section 2355 of this title for investments
10 in qualified clean-burning motor vehicle fuel property placed in service after December
11 31, 1990, ~~and~~ for investments in qualified electric motor vehicle property placed in
12 service after December 31, 1995, and for investments in a qualified low-speed electric
13 motor vehicle placed into service after December 31, 2009.

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

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

21 2. A motor vehicle originally equipped so that the vehicle may be propelled by a
22 hydrogen fuel cell, compressed natural gas, liquefied natural gas or liquefied petroleum

1 gas but only to the extent of the portion of the basis of such motor vehicle which is
2 attributable to the storage of such fuel, the delivery to the engine of such motor vehicle of
3 such fuel, and the exhaust of gases from combustion of such fuel;

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

- 5 a. directly related to the delivery of compressed natural gas, liquefied
6 natural gas or liquefied petroleum gas, or hydrogen, for commercial
7 purposes or for a fee or charge, into the fuel tank of a motor vehicle
8 propelled by such fuel including compression equipment and storage
9 tanks for such fuel at the point where such fuel is so delivered but only
10 if such property is not used to deliver such fuel into any other type of
11 storage tank or receptacle and such fuel is not used for any purpose
12 other than to propel a motor vehicle, or
- 13 b. a metered-for-fee, public access recharging system for motor vehicles
14 propelled in whole or in part by electricity. The property covered by
15 this paragraph must be new, and must not have been previously
16 installed or used to refuel vehicles powered by compressed natural gas,
17 liquefied natural gas or liquefied petroleum gas, hydrogen or
18 electricity; or

19 4. Property which is directly related to the compression and delivery of natural gas
20 from a private home or residence, for noncommercial purposes, into the fuel tank of a
21 motor vehicle propelled by compressed natural gas. The property covered by this

1 paragraph must be new and must not have been previously installed or used to refuel
2 vehicles powered by natural gas.

3 ~~C. D.~~ As used in this section, "qualified electric motor vehicle property" means a
4 new motor vehicle or new medium-speed electric motor vehicle originally equipped to be
5 propelled only by electricity; provided, if a motor vehicle is also equipped with an internal
6 combustion engine, then such vehicle shall be considered "qualified electric motor vehicle
7 property" only to the extent of the portion of the basis of such motor vehicle which is
8 attributable to the propulsion of the vehicle by electricity. The term "qualified electric
9 motor vehicle property" shall not apply to vehicles known as "low-speed electric vehicles,"
10 vehicles known as "golf carts," or to "go-carts" and ~~other~~ motor vehicles which are
11 manufactured principally for use off the streets and highways.

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

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

16 1. ~~For~~

- 17 a. for the qualified clean-burning motor vehicle fuel property defined in
18 paragraph 1 or 2 of subsection ~~B~~ C of this section ~~and for the qualified~~
19 ~~electric motor vehicle property~~, fifty percent (50%) of the cost of the
20 qualified clean-burning motor vehicle fuel property ~~or~~, and
21 b. for qualified electric motor vehicle property the credit claimed by the
22 taxpayer may not exceed the lesser of fifty percent (50%) of the cost of

1 the qualified electric motor vehicle property or Five Thousand Dollars
2 (\$5,000.00);

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

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

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

12 F. In cases where no credit has been claimed pursuant to paragraph 1 of subsection
13 E of this section by any prior owner and in which a motor vehicle is purchased by a
14 taxpayer with qualified clean-burning motor vehicle fuel property or qualified electric
15 motor vehicle property installed by the manufacturer of such motor vehicle and the
16 taxpayer is unable or elects not to determine the exact basis which is attributable to such
17 property, the taxpayer may claim a credit in an amount not exceeding the lesser of ten
18 percent (10%) of the cost of the motor vehicle or One Thousand Five Hundred Dollars
19 (\$1,500.00).

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

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

1 taxable year may be carried forward as a credit against subsequent income tax liability
2 for a period not to exceed five (5) years.

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

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

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

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

14 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,
15 dated 02-25-10 - DO PASS, As Amended and Coauthored.