

EHB 1949

1 THE STATE SENATE
2 Thursday, March 19, 2009

3 ENGROSSED

4 House Bill No. 1949

5 As Amended

6 ENGROSSED HOUSE BILL NO. 1949 - By: Benge, Dorman, Martin (Scott),
7 McAffrey, Shumate and Walker of the House and Bingman of the Senate.

8 [Revenue and taxation - tax credits for certain qualified
9 property - extending duration of credit - effective date]

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

11 SECTION 1. AMENDATORY 68 O.S. 2001, Section 2357.22, as
12 amended by Section 1, Chapter 126, O.S.L. 2008 (68 O.S. Supp. 2008,
13 Section 2357.22), is amended to read as follows:

14 Section 2357.22 A. For tax years beginning before January 1,
15 ~~2010~~ 2015, there shall be allowed a one-time credit against the
16 income tax imposed by Section 2355 of this title for investments in
17 qualified clean-burning motor vehicle fuel property placed in
18 service after December 31, 1990, and for investments in qualified
19 electric motor vehicle property placed in service after December 31,
20 1995, and for investments in qualified hydraulic hybrid vehicle
21 property placed in service after December 31, 2000.

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

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 ~~methanol, "M-85" which is a mixture of methanol and~~
4 ~~gasoline containing at least eighty five percent (85%) methanol, a~~
5 hydrogen fuel cell, compressed natural gas, liquefied natural gas or
6 liquefied petroleum gas ~~or a combination of at least fifty percent~~
7 ~~(50%) natural gas.~~ The equipment covered by this paragraph must be
8 new and must not have been previously used to modify or retrofit any
9 vehicle propelled by gasoline or diesel fuel;

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

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

19 a. directly related to the delivery of ~~methanol, "M-85",~~
20 compressed natural gas, liquefied natural gas or
21 liquefied petroleum gas, or hydrogen, for commercial
22 purposes or for a fee or charge, into the fuel tank of
23 a motor vehicle propelled by such fuel including

1 compression equipment and storage tanks for such fuel
2 at the point where such fuel is so delivered but only
3 if such property is not used to deliver such fuel into
4 any other type of storage tank or receptacle and such
5 fuel is not used for any purpose other than to propel
6 a motor vehicle. However, ~~property which is directly~~
7 ~~related to the delivery of methanol or "M-85" into the~~
8 ~~fuel tank of a motor vehicle propelled by such fuel as~~
9 ~~provided in this paragraph shall be used solely for~~
10 ~~the purpose of delivering methanol or "M-85" and no~~
11 ~~other purpose in order to claim the tax credit~~
12 ~~pursuant to this section. If the property is used for~~
13 ~~any other purpose than the delivery of methanol or "M-~~
14 ~~85", the tax credit shall immediately be refunded to~~
15 ~~the Oklahoma Tax Commission. The Corporation~~
16 ~~Commission shall inspect the property to determine~~
17 ~~whether the property is being used for the delivery of~~
18 ~~methanol or "M-85", or~~

19 b. a metered-for-fee, public access recharging system for
20 motor vehicles propelled in whole or in part by
21 electricity. The property covered by this paragraph
22 must be new, and must not have been previously
23 installed or used to refuel vehicles powered by

1 compressed natural gas, liquefied natural gas or
2 liquefied petroleum gas, hydrogen or electricity; or
3 4. Property which is directly related to the compression and
4 delivery of natural gas from a private home or residence, for
5 noncommercial purposes, into the fuel tank of a motor vehicle
6 propelled by compressed natural gas. The property covered by this
7 paragraph must be new and must not have been previously installed or
8 used to refuel vehicles powered by natural gas.

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

21 D. As used in this section, "qualified hydraulic hybrid motor
22 vehicle property" means a motor vehicle originally equipped with a
23 hydraulic hybrid power train designed to propel in part the motor

1 vehicle but only to the extent of the portion of the basis of such
2 motor vehicle which is attributable to the propulsion of the vehicle
3 by a hydraulic hybrid power train.

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

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

14 2. For the qualified hydraulic hybrid motor vehicle property
15 defined in subsection D of this section fifty percent (50%) of the
16 cost of the qualified hydraulic hybrid motor vehicle property not to
17 exceed the following:

18 a. for a motor vehicle having a Gross Vehicle Weight
19 Rating (GVWR) of eight thousand five hundred (8,500)
20 pounds or less, the credit shall not exceed the amount
21 of Six Thousand Dollars (\$6,000.00),

22 b. for a motor vehicle having a manufacturer Gross
23 Vehicle Weight Rating (GVWR) of eight thousand five

1 hundred one (8,501) pounds to twenty-six thousand
2 (26,000) pounds, the credit shall not exceed the
3 amount of Eight Thousand Dollars (\$8,000.00), and
4 c. for a motor vehicle having a manufacturer Gross
5 Vehicle Weight Rating (GVWR) of twenty-six thousand
6 one (26,001) pounds or above, the credit shall not
7 exceed the amount of Fifteen Thousand Dollars
8 (\$15,000.00);

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

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

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

1 exact basis which is attributable to such property, the taxpayer may
2 claim a credit in an amount not exceeding the lesser of ten percent
3 (10%) of the cost of the motor vehicle or One Thousand Five Hundred
4 Dollars (\$1,500.00);

5 H. In cases where no credit has been claimed pursuant to
6 paragraph 2 of subsection F of this section by any prior owner and
7 in which a motor vehicle is purchased by a taxpayer with qualified
8 hydraulic hybrid motor vehicle property originally installed by the
9 manufacturer of such motor vehicle and the taxpayer is unable or
10 elects not to determine the exact basis which is attributable to
11 such property, the taxpayer may claim a credit in an amount not
12 exceeding the lesser of ten percent (10%) of the cost of the motor
13 vehicle or the following amounts:

14 1. For a motor vehicle having a manufacturer Gross Vehicle
15 Weight Rating (GVWR) of eight thousand five hundred (8,500) pounds
16 or less, the credit shall be One Thousand Five Hundred Dollars
17 (\$1,500.00);

18 2. For a motor vehicle having a manufacturer Gross Vehicle
19 Weight Rating (GVWR) of eight thousand five hundred one (8,501)
20 pounds to twenty-six thousand (26,000) pounds, the credit shall be
21 Two Thousand Dollars (\$2,000.00); and

1 3. For a motor vehicle having a manufacturer Gross Vehicle
2 Weight Rating (GVWR) of twenty-six thousand one (26,001) pounds or
3 above, the credit shall be Three Thousand Dollars (\$3,000.00).

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

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

15 K. The Oklahoma Tax Commission is herein empowered to
16 promulgate rules by which the purpose of this section shall be
17 administered, including the power to establish and enforce penalties
18 for violations thereof.

19 SECTION 2. This act shall become effective January 1, 2010.

20 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 3-17-09 - DO PASS,
21 As Amended.