

1 STATE OF OKLAHOMA

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

3 HOUSE BILL No.1955

By: Bengé

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5
6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2001, Section 2357.22, as amended by Section 1,
9 Chapter 126, O.S.L. 2008 (68 O.S. Supp. 2008, Section
10 2357.22), which relates to credit for certain clean-
11 burning motor vehicle fuel property; extending
12 duration of credit; expanding credit to include
13 additional technology; extending carryover; and
14 providing an effective date.

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

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

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

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

3 1. Equipment installed to modify a motor vehicle which is
4 propelled by gasoline or diesel fuel so that the vehicle may be
5 propelled by hydrogen, methanol, "M-85" which is a mixture of
6 methanol and gasoline containing at least eighty-five percent (85%)
7 methanol, compressed natural gas, liquefied natural gas or liquefied
8 petroleum gas or a combination of at least fifty percent (50%)
9 natural gas;

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

17 3. Property which is directly related to the delivery of
18 hydrogen, methanol, "M-85", compressed natural gas, liquefied
19 natural gas or liquefied petroleum gas into the fuel tank of a motor
20 vehicle propelled by such fuel including compression equipment and
21 storage tanks for such fuel at the point where such fuel is so
22 delivered but only if such property is not used to deliver such fuel
23 into any other type of storage tank or receptacle and such fuel is
24 not used for any purpose other than to propel a motor vehicle.

1 However, property which is directly related to the delivery of
2 methanol or "M-85" into the fuel tank of a motor vehicle propelled
3 by such fuel as provided in this paragraph shall be used solely for
4 the purpose of delivering methanol or "M-85" and no other purpose in
5 order to claim the tax credit pursuant to this section. If the
6 property is used for any other purpose than the delivery of methanol
7 or "M-85", the tax credit shall immediately be refunded to the
8 Oklahoma Tax Commission. The Corporation Commission shall inspect
9 the property to determine whether the property is being used for the
10 delivery of methanol or "M-85".

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

23 D. The credit provided for in subsection A of this section
24 shall be fifty percent (50%) of the cost of the qualified clean-

1 burning motor vehicle fuel property or qualified electric motor
2 vehicle property.

3 E. In cases where no credit has been claimed pursuant to
4 subsection D of this section and in which a motor vehicle is
5 purchased by a taxpayer with qualified clean-burning motor vehicle
6 fuel property or qualified electric motor vehicle property installed
7 by the manufacturer of such motor vehicle and the taxpayer is unable
8 or elects not to determine the exact basis which is attributable to
9 such property, the taxpayer may claim a credit in an amount not
10 exceeding the lesser of ten percent (10%) of the cost of the motor
11 vehicle or One Thousand Five Hundred Dollars (\$1,500.00).

12 F. If the tax credit allowed pursuant to subsection A of this
13 section exceeds the amount of income taxes due or if there are no
14 state income taxes due on the income of the taxpayer, the amount of
15 the credit not used as an offset against the income taxes of a
16 taxable year may be carried forward as a credit against subsequent
17 income tax liability for a period not to exceed ~~three (3)~~ five (5)
18 years.

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

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

52-1-6476 CJB 01/13/09