

1 STATE OF OKLAHOMA

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

3 HOUSE BILL No.1949 \_\_\_\_\_

By: Bengé

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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 tax credits for certain  
11 qualified property; modifying definitions; providing  
credits for qualified clean-burning motor vehicle  
fuel property; specifying amount of credits;  
modifying carryover period; and providing an  
effective date.

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

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

18 Section 2357.22 A. For tax years beginning before January 1,  
19 ~~2010~~ 2014, there shall be allowed a one-time credit against the  
20 income tax imposed by Section 2355 of this title for investments in  
21 qualified clean-burning motor vehicle fuel property placed in  
22 service after December 31, 1990, and for investments in qualified  
23 electric motor vehicle property placed in service after December 31,

1 1995, and for investments in qualified hydraulic hybrid vehicle  
2 property placed in service after December 31, 2000.

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

5 1. ~~Equipment~~ EPA-certified equipment installed to modify a  
6 motor vehicle which is propelled by gasoline or diesel fuel so that  
7 the vehicle may be propelled by ~~methanol, "M-85" which is a mixture~~  
8 ~~of methanol and gasoline containing at least eighty five percent~~  
9 ~~(85%) methanol,~~ compressed natural gas, liquefied natural gas or  
10 liquefied petroleum gas ~~or a combination of at least fifty percent~~  
11 ~~(50%) natural gas.~~ The EPA-certified equipment covered by this  
12 paragraph must be new and must not have been previously used to  
13 modify or retrofit any vehicle propelled by gasoline or diesel fuel;

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

21 3. Property (not including a building and its structural  
22 components) which is:

23 a. directly related to the delivery of ~~methanol, "M-85",~~  
24 compressed natural gas, liquefied natural gas or

1           liquefied petroleum gas, or hydrogen, for commercial  
2           purposes or for a fee or charge, into the fuel tank of  
3           a motor vehicle propelled by such fuel including  
4           compression equipment and storage tanks for such fuel  
5           at the point where such fuel is so delivered but only  
6           if such property is not used to deliver such fuel into  
7           any other type of storage tank or receptacle and such  
8           fuel is not used for any purpose other than to propel  
9           a motor vehicle, or

10         b. a metered-for-fee, public access recharging system for  
11         motor vehicles propelled in whole or in part by  
12         electricity. The property covered by this paragraph  
13         must be new, and must not have been previously  
14         installed or used to refuel vehicles powered by  
15         compressed natural gas, liquefied natural gas or  
16         liquefied petroleum gas, hydrogen or electricity.

17 ~~However, property which is directly related to the delivery of~~  
18 ~~methanol or "M-85" into the fuel tank of a motor vehicle propelled~~  
19 ~~by such fuel as provided in this paragraph shall be used solely for~~  
20 ~~the purpose of delivering methanol or "M-85" and no other purpose in~~  
21 ~~order to claim the tax credit pursuant to this section. If the~~  
22 ~~property is used for any other purpose than the delivery of methanol~~  
23 ~~or "M-85", the tax credit shall immediately be refunded to the~~  
24 ~~Oklahoma Tax Commission. The Corporation Commission shall inspect~~

1 ~~the property to determine whether the property is being used for the~~  
2 ~~delivery of methanol or "M 85"; 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  
8 or 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  
24 vehicle but only to the extent of the portion of the basis of such

1 motor vehicle which is attributable to the propulsion of the vehicle  
2 by a hydraulic hybrid power train.

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

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

8 1. For the qualified clean-burning motor vehicle fuel property  
9 defined in paragraph 1 or 2 of subsection B of this section, and for  
10 the qualified electric motor vehicle property and qualified  
11 hydraulic hybrid motor vehicle property, fifty percent (50%) of the  
12 cost of the qualified clean-burning motor vehicle fuel property, or  
13 qualified electric motor vehicle property, or qualified hydraulic  
14 hybrid motor vehicle property not to exceed the following:

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

19 b. for a motor vehicle having a manufacturer Gross  
20 Vehicle Weight Rating (GVWR) of eight thousand five  
21 hundred one (8,501) pounds to twenty-six thousand  
22 (26,000) pounds, the credit shall not exceed the  
23 amount of Eight Thousand Dollars (\$8,000.00), and

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

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

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

15           ~~E. G.~~ In cases where no credit has been claimed pursuant to  
16 subsection ~~D~~ F of this section by any prior owner and in which a  
17 motor vehicle is purchased by a taxpayer with qualified clean-  
18 burning motor vehicle fuel property or qualified electric motor  
19 vehicle property, or qualified hydraulic hybrid motor vehicle  
20 property originally installed by the manufacturer of such motor  
21 ~~vehicle and the taxpayer is unable or elects not to determine the~~  
22 ~~exact basis which is attributable to such property,~~ the taxpayer may  
23 claim a credit in an ~~amount not exceeding the lesser of ten percent~~  
24 ~~(10%) of the cost of the motor vehicle or~~ the following amounts:

1        1. For a motor vehicle having a manufacturer Gross Vehicle  
2 Weight Rating (GVWR) of eight thousand five hundred (8,500) pounds  
3 or less, the credit shall be One Thousand Five Hundred Dollars  
4 (\$1,500.00);

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

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

12        ~~F.~~ H. If the tax credit allowed pursuant to subsection A of  
13 this section exceeds the amount of income taxes due or if there are  
14 no state income taxes due on the income of the taxpayer, the amount  
15 of 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.~~ I. A husband and wife who file separate returns for a  
20 taxable year in which they could have filed a joint return may each  
21 claim only one-half (1/2) of the tax credit that would have been  
22 allowed for a joint return.

23        J. The Oklahoma Tax Commission is herein empowered to  
24 promulgate rules by which the purpose of this section shall be

1 administered, including the power to establish and enforce penalties  
2 for violations thereof.

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

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