

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 SENATE BILL 2168

By: Branan

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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 last amended by
9 Section 1, Chapter 308 O.S.L. 2009 (68 O.S. Supp.
10 2009, Section 2357.22), which relates to income tax
11 credit; modifying amount of credit after certain date
12 for certain property meeting specified criteria; and
13 providing an effective date.

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 last amended by Section 1, Chapter 308, O.S.L. 2009 (68 O.S. Supp.
17 2009, Section 2357.22), is amended to read as follows:

18 Section 2357.22 A. For tax years beginning before January 1,
19 2015, there shall be allowed a one-time credit against the income
20 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,
24 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 a hydrogen fuel cell, compressed natural gas, liquefied
6 natural gas or liquefied petroleum gas. The equipment covered by
7 this paragraph must be new and must not have been previously used to
8 modify or retrofit any vehicle propelled by gasoline or diesel fuel;

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

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

18 a. directly related to the delivery of compressed natural
19 gas, liquefied natural gas or liquefied petroleum gas,
20 or hydrogen, for commercial purposes or for a fee or
21 charge, into the fuel tank of a motor vehicle
22 propelled by such fuel including compression equipment
23 and storage tanks for such fuel at the point where
24 such fuel is so delivered but only if such property is

1 not used to deliver such fuel into any other type of
2 storage tank or receptacle and such fuel is not used
3 for any purpose other than to propel a motor vehicle,
4 or

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

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

18 C. As used in this section, "qualified electric motor vehicle
19 property" means a motor vehicle originally equipped to be propelled
20 only by electricity; provided, if a motor vehicle is also equipped
21 with an internal combustion engine, then such vehicle shall be
22 considered "qualified electric motor vehicle property" only to the
23 extent of the portion of the basis of such motor vehicle which is
24 attributable to the propulsion of the vehicle by electricity. The

1 term "qualified electric motor vehicle property" shall not apply to
2 vehicles known as "golf carts", "go-carts" and other motor
3 vehicles which are manufactured principally for use off the streets
4 and highways.

5 D. As used in this section, ~~"motor vehicle"~~

6 1. "Motor vehicle" means a motor vehicle originally designed by
7 the manufacturer to operate lawfully and principally on streets and
8 highways; and

9 2. "Fleet" means twenty or more vehicles.

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

12 1. For the qualified clean-burning motor vehicle fuel property
13 defined in paragraph 1 or 2 of subsection B of this section and for
14 the qualified electric motor vehicle property, fifty percent (50%)
15 of the cost of the qualified clean-burning motor vehicle fuel
16 property or qualified electric motor vehicle property; provided, on
17 or after January 1, 2011, if the qualified clean-burning motor
18 vehicle fuel property defined in paragraph 1 or 2 of subsection B of
19 this section is a part of a fleet of vehicles used for commercial
20 purposes, seventy-five percent (75%) of the cost of the qualified
21 clean-burning motor vehicle fuel property;

22 2. For qualified clean-burning motor vehicle fuel property
23 defined in paragraph 3 of subsection B of this section, a per-

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1 location credit of seventy-five percent (75%) of the cost of the
2 qualified clean-burning motor vehicle fuel property; and

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

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

18 G. If the tax credit allowed pursuant to subsection A of this
19 section exceeds the amount of income taxes due or if there are no
20 state income taxes due on the income of the taxpayer, the amount of
21 the credit not used as an offset against the income taxes of a
22 taxable year may be carried forward as a credit against subsequent
23 income tax liability for a period not to exceed five (5) years.

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

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

9 SECTION 2. This act shall become effective January 1, 2011.

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