

1 STATE OF OKLAHOMA

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

3 SENATE BILL 7

By: Gumm

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7 AS INTRODUCED

8 An Act relating to revenue and taxation; amending 68  
9 O.S. 2001, Section 2357.22, as last amended by Section  
10 1, Chapter 126, O.S.L. 2008 (68 O.S. Supp. 2008,  
11 Section 2357.22), which relates to income tax credits;  
12 modifying expiration date on credit for investments in  
13 qualified clean-burning motor vehicle fuel property;  
14 and 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 last amended by Section 1, Chapter 126, O.S.L. 2008 (68 O.S. Supp.  
18 2008, Section 2357.22), is amended to read as follows:

19 Section 2357.22 A. For tax years beginning before ~~January 1,~~  
20 ~~2010~~ January 1, 2020, there shall be allowed a one-time credit  
21 against the income tax imposed by Section 2355 of this title for  
22 investments in qualified clean-burning motor vehicle fuel property  
23 placed in service after December 31, 1990, and for investments in  
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1 qualified electric motor vehicle property placed in service after  
2 December 31, 1995.

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

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

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

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

1 | purpose other than to propel a motor vehicle. However, property  
2 | which is directly related to the delivery of methanol or "M-85" into  
3 | the fuel tank of a motor vehicle propelled by such fuel as provided  
4 | in this paragraph shall be used solely for the purpose of delivering  
5 | methanol or "M-85" and no other purpose in order to claim the tax  
6 | credit pursuant to this section. If the property is used for any  
7 | other purpose than the delivery of methanol or "M-85", the tax credit  
8 | shall immediately be refunded to the Oklahoma Tax Commission. The  
9 | Corporation Commission shall inspect the property to determine  
10 | whether the property is being used for the delivery of methanol or  
11 | "M-85". For purposes of this section, property which is directly  
12 | related to the delivery of compressed natural gas shall include the  
13 | construction costs for equipment or facilities built or modified to  
14 | deliver compressed natural gas into the fuel tank of a motor vehicle.

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

3 D. The credit provided for in subsection A of this section shall  
4 be fifty percent (50%) of the cost of the qualified clean-burning  
5 motor vehicle fuel property or qualified electric motor vehicle  
6 property.

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

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

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

3 | SECTION 2. This act shall become effective November 1, 2009.  
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