

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 52<sup>nd</sup> Legislature

<b>Bill No.:</b>	<b>HB 3024</b>
<b>Version:</b>	<b>Floor Amendment 1</b>
<b>Author:</b>	<b>Representative Reynolds</b>
<b>Date:</b>	<b>March 8, 2010</b>
<b>Impact:</b>	<b>FY11: Positive Fiscal Impact of At least \$4.530 million</b>
	<b>FY12: Positive Fiscal Impact of At Least \$6.796 Million</b>

**Bill Summary**

Research Analyst:       Dusty Darr

Floor Amendment #1 (FA1) to House Bill 3024 modifies current income tax credits available for investments made in qualified electric motor vehicle property and qualified clean-burning motor vehicle fuel property. The amendment specifically provides that for taxable years beginning after December 31, 2009, every credit authorized by the measure be reduced in an amount equal to any federal income tax credit that has been claimed on a federal income tax return as a result of the same acquisition on which the federal income tax credit was based and for the same tax year.

In addition, FA1 defines a “federal income tax credit” as a credit allowed against income tax imposed pursuant to the Internal Revenue Code of 1986, as amended or any other credit that may be used to reduce tax liability imposed by federal law based on the expenditure to acquire tangible personal property.

**Fiscal Summary**

Fiscal Analyst:       Diane Thomas

Floor Amendment 1 for HB 3024 relates to the credit for conversion to clean burning motor vehicle fuel property. The measure reduces the state credit by the amount of the federal credit.

**Fiscal Analysis**

Under current law, it is estimated (for tax year 2010) approximately \$10.8 million in credits will be claimed for certain electric vehicles and \$4.8 million in credits will be claimed for hybrid vehicles, resulting in an estimate total cost of \$15.6 million in credits for qualified electric motor vehicle property. The following table details the credits by vehicle type:

	<b>Estimated Number</b>	<b>Estimated Credit</b>	<b>Projected 2010</b>
<b>Vehicle Type</b>	<b>Sold</b>	<b>Per Vehicle</b>	<b>Current Credits</b>
Low Speed Electric	1,000	\$6,200	\$6,200,000

Teslas	10	\$59,600	\$596,000
Full Size Sedans	250	\$16,000	\$4,000,000
Hybrids	3,208	\$1,500	\$4,812,000
Total Credits			\$15,608,000

The FA1 for HB 3024 eliminates the Oklahoma credit for low-speed electric vehicles and for the Teslas. It is unknown at this time as to the effect on full size sedans or hybrid vehicles. Therefore, it is estimated that the impact of this measure will have a positive impact of at least \$6.796 million for tax year 2010.

It is anticipated that 2/3rds of the impact, an estimated \$4.530 million will occur in FY11, as taxpayers file their income tax returns before April 15 2011. It is anticipated that a full year savings in excess of \$6.796 million will occur in FY12.

**Long Term Fiscal Considerations**

As stated above.

Fiscal Analysis Reviewed By:

*Janice Buchanan*

House Fiscal Director