

1 STATE OF OKLAHOMA

2 1st Session of the 53rd Legislature (2011)

3 SENATE BILL 516

By: Coates

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5
6 AS INTRODUCED

7 An Act relating to income tax credits; amending 68
8 O.S. 2001, Section 2357.22, as last amended by
9 Section 3, Chapter 418, O.S.L. 2010 (68 O.S. Supp.
10 2010, Section 2357.22), which relates to income tax
11 credits for investments in qualified clean-burning
12 motor vehicle fuel property; expanding property
13 eligible for certain credit to include certain
14 construction and installation costs; limiting amount
15 of accrued credit which may be claimed in one tax
16 year; providing an effective date; and declaring an
17 emergency.

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

19 SECTION 1. AMENDATORY 68 O.S. 2001, Section 2357.22, as
20 last amended by Section 3, Chapter 418, O.S.L. 2010 (68 O.S. Supp.
21 2010, Section 2357.22), is amended to read as follows:

22 Section 2357.22 A. For tax years beginning before January 1,
23 2015, there shall be allowed a one-time credit against the income
24 tax imposed by Section 2355 of this title

1. For investments in qualified clean-burning motor vehicle
fuel property placed in service after December 31, 1990; and

1 2. For investments in qualified electric motor vehicle property
2 placed in service after December 31, 1995, and before July 1, 2010.

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 a hydrogen fuel cell, compressed natural gas, liquefied
8 natural gas or liquefied petroleum gas; provided, equipment
9 installed on a vehicle propelled by a hydrogen fuel cell shall only
10 be eligible for tax year 2010. The equipment covered by this
11 paragraph must be new and must not have been previously used to
12 modify or retrofit any vehicle propelled by gasoline or diesel fuel;

13 2. A motor vehicle originally equipped so that the vehicle may
14 be propelled by a hydrogen fuel cell, compressed natural gas,
15 liquefied natural gas or liquefied petroleum gas but only to the
16 extent of the portion of the basis of such motor vehicle which is
17 attributable to the storage of such fuel, the delivery to the engine
18 of such motor vehicle of such fuel, and the exhaust of gases from
19 combustion of such fuel. A motor vehicle originally equipped so
20 that the vehicle may be propelled by a hydrogen fuel cell shall only
21 be eligible for tax year 2010;

22 3. Property, not including a building and its structural
23 components, which is:
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1 a. directly related to the delivery of compressed natural
2 gas, liquefied natural gas or liquefied petroleum gas,
3 or hydrogen, for commercial purposes or for a fee or
4 charge, into the fuel tank of a motor vehicle
5 propelled by such fuel including compression equipment
6 and storage tanks for such fuel at the point where
7 such fuel is so delivered but only if such property is
8 not used to deliver such fuel into any other type of
9 storage tank or receptacle and such fuel is not used
10 for any purpose other than to propel a motor vehicle,
11 or

12 b. a metered-for-fee, public access recharging system for
13 motor vehicles propelled in whole or in part by
14 electricity. On or after the effective date of this
15 act, the costs of constructing and installing a
16 metered-for-fee, public access recharging system or a
17 recharging system for a private home or residence
18 shall qualify for the credit provided pursuant to
19 paragraph 2 of subsection E of this section. The
20 property covered by this paragraph must be new, and
21 must not have been previously installed or used to
22 refuel vehicles powered by compressed natural gas,
23 liquefied natural gas or liquefied petroleum gas,
24 hydrogen or electricity.

1 Any property covered by this paragraph which is related to the
2 delivery of hydrogen into the fuel tank of a motor vehicle shall
3 only be eligible for tax year 2010; or

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

10 C. As used in this section, "qualified electric motor vehicle
11 property" means a motor vehicle originally equipped to be propelled
12 only by electricity; provided, if a motor vehicle is also equipped
13 with an internal combustion engine, then such vehicle shall be
14 considered "qualified electric motor vehicle property" only to the
15 extent of the portion of the basis of such motor vehicle which is
16 attributable to the propulsion of the vehicle by electricity. The
17 term "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, "motor vehicle" means a motor
22 vehicle originally designed by the manufacturer to operate lawfully
23 and principally on streets and highways.

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

3 1. For the qualified clean-burning motor vehicle fuel property
4 defined in paragraph 1 or 2 of subsection B of this section and for
5 the qualified electric motor vehicle property, fifty percent (50%)
6 of the cost of the qualified clean-burning motor vehicle fuel
7 property or qualified electric motor vehicle property;

8 2. For qualified clean-burning motor vehicle fuel property
9 defined in paragraph 3 of subsection B of this section, a per-
10 location credit of seventy-five percent (75%) of the cost of the
11 qualified clean-burning motor vehicle fuel property; provided, no
12 more than thirty-three and one-third percent (33 1/3%) of the total
13 dollar amount of credit accrued for the costs of constructing and
14 installing property for a recharging system shall be claimed by the
15 taxpayer in any one taxable year; and

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

21 F. In cases where no credit has been claimed pursuant to
22 paragraph 1 of subsection E of this section by any prior owner and
23 in which a motor vehicle is purchased by a taxpayer with qualified
24 clean-burning motor vehicle fuel property or qualified electric

1 motor vehicle property installed by the manufacturer of such motor
2 vehicle and the taxpayer is unable or elects not to determine the
3 exact basis which is attributable to such property, the taxpayer may
4 claim a credit in an amount not exceeding the lesser of ten percent
5 (10%) of the cost of the motor vehicle or One Thousand Five Hundred
6 Dollars (\$1,500.00).

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

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

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

21 SECTION 2. This act shall become effective July 1, 2011.

22 SECTION 3. It being immediately necessary for the preservation
23 of the public peace, health and safety, an emergency is hereby
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1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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