

1 STATE OF OKLAHOMA

2 1st Session of the 54th Legislature (2013)

3 SUBCOMMITTEE RECOMMENDATION
4 FOR

5 HOUSE BILL NO. 1583

6 By: Scott

7 SUBCOMMITTEE RECOMMENDATION

8 An Act relating to revenue and taxation; amending 68
9 O.S. 2011, Section 2357.22, which relates to clean-
10 burning motor vehicle fuel property; removing
11 outdated provisions; providing credit to political
12 subdivisions after certain date; allowing refund of
13 credit; providing refund procedures; and providing an
14 effective date.

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

16 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2357.22, is
17 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

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

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

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

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

20 3. Property, not including a building and its structural
21 components, which is:

22 a. directly related to the delivery of compressed natural
23 gas, liquefied natural gas or liquefied petroleum gas,
24 ~~or hydrogen~~, for commercial purposes or for a fee or

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

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

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

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

1 C. ~~As used in this section, "qualified electric motor vehicle~~
2 ~~property" means a motor vehicle originally equipped to be propelled~~
3 ~~only by electricity; provided, if a motor vehicle is also equipped~~
4 ~~with an internal combustion engine, then such vehicle shall be~~
5 ~~considered "qualified electric motor vehicle property" only to the~~
6 ~~extent of the portion of the basis of such motor vehicle which is~~
7 ~~attributable to the propulsion of the vehicle by electricity. The~~
8 ~~term "qualified electric motor vehicle property" shall not apply to~~
9 ~~vehicles known as "golf carts", "go carts" and other motor vehicles~~
10 ~~which are manufactured principally for use off the streets and~~
11 ~~highways.~~

12 ~~D.~~ As used in this section, "motor vehicle" means a motor
13 vehicle originally designed by the manufacturer to operate lawfully
14 and principally on streets and highways.

15 ~~E.~~ D. The credit provided for in subsection A of this section
16 shall be as follows:

17 1. For the qualified clean-burning motor vehicle fuel property
18 defined in paragraph 1 or 2 of subsection B of this section ~~and for~~
19 ~~the qualified electric motor vehicle property, fifty percent (50%)~~
20 of the cost of the qualified clean-burning motor vehicle fuel
21 property ~~or qualified electric motor vehicle 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.~~ E. In cases where no credit has been claimed pursuant to
9 paragraph 1 of subsection ~~E~~ D 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.~~ F. If the tax credit allowed pursuant to subsection A of
19 this section exceeds the amount of income taxes due or if there are
20 no state income taxes due on the income of the taxpayer, the amount
21 of 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.~~ G. A husband and wife who file separate returns for a
2 taxable year in which they could have filed a joint return may each
3 claim only one-half (1/2) of the tax credit that would have been
4 allowed for a joint return.

5 H. On or after January 1, 2014, any political subdivisions in
6 this state shall be eligible to establish a refundable tax credit in
7 the amount provided in this section. These tax credit provisions
8 are authorized as an incentive to the political subdivisions of this
9 state to encourage the expenditure of funds in qualified clean-
10 burning motor vehicle fuel property. The Oklahoma Tax Commission
11 shall refund directly to the political subdivision the amount of
12 such credits pursuant to the following procedures:

13 1. Political subdivisions must file an appropriate form, to be
14 designed by the Tax Commission, on or before the twentieth day of
15 the February after the calendar year ends reporting the amount of
16 credits generated during the applicable calendar year; and

17 2. Within sixty (60) days after receipt of the appropriate
18 form, the Tax Commission must act by either issuing the refund or
19 disputing the credits claimed by the political subdivision.

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

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SECTION 2. This act shall become effective January 1, 2014.

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