

1 STATE OF OKLAHOMA

2 2nd Session of the 54th Legislature (2014)

3 SUBCOMMITTEE RECOMMENDATION
4 FOR

5 HOUSE BILL NO. 2415

6 By: Cox

7 SUBCOMMITTEE RECOMMENDATION

8 [revenue and taxation - tax credit - effective
9 date]

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

13 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2357.22, as
14 last amended by Section 1, Chapter 252, O.S.L. 2013 (68 O.S. Supp.
15 2013, Section 2357.22), is amended to read as follows:

16 Section 2357.22 A. For tax years beginning before January 1,
17 2020, there shall be allowed a one-time credit against the income
18 tax imposed by Section 2355 of this title for investments in
19 qualified clean-burning motor vehicle fuel property placed in
20 service after December 31, 1990.

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

23 1. Equipment installed to modify a motor vehicle which is
24 propelled by gasoline or diesel fuel so that the vehicle may be

1 propelled by a hydrogen fuel cell, compressed natural gas, liquefied
2 natural gas or liquefied petroleum gas; provided, equipment
3 installed on a vehicle propelled by a hydrogen fuel cell shall only
4 be eligible for tax year 2010. The equipment covered by this
5 paragraph must:

- 6 a. be new, not previously used to modify or retrofit any
7 vehicle propelled by gasoline or diesel fuel and be
8 installed by an alternative fuels equipment technician
9 who is certified in accordance with the Alternative
10 Fuels Technician Certification Act,
- 11 b. meet all Federal Motor Vehicle Safety Standards set
12 forth in 49 CFR 571, or
- 13 c. for any commercial motor vehicle (CMV), follow the
14 Federal Motor Carrier Safety Regulations or Oklahoma
15 Intrastate Motor Carrier Regulations;

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

1 3. Property, not including a building and its structural
2 components, which is:

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

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

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

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

7 C. As used in this section, "motor vehicle" means a motor
8 vehicle originally designed by the manufacturer to operate lawfully
9 and principally on streets and highways.

10 D. 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, fifty
14 percent (50%) of the cost of the qualified clean-burning motor
15 vehicle fuel property;

16 2. For qualified clean-burning motor vehicle fuel property
17 defined in paragraph 3 of subsection B of this section, a per-
18 location credit of seventy-five percent (75%) of the cost of the
19 qualified clean-burning motor vehicle fuel property; and

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

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

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

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

20 H. On or after January 1, 2015, political subdivisions in this
21 state shall be eligible to establish a refundable tax credit in the
22 amount provided in this section for investments related to liquefied
23 petroleum gas motor vehicle fuel property, which meet the definition
24 of qualified clean-burning motor vehicle fuel property, provided in

1 subsection B of this section. These tax credit provisions are
2 authorized as an incentive to the political subdivisions of this
3 state to encourage the expenditure of funds in liquefied petroleum
4 gas motor vehicle fuel property. The Oklahoma Tax Commission shall
5 refund directly to the political subdivision the amount of such
6 credits pursuant to the following procedures:

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

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

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

18 SECTION 2. This act shall become effective November 1, 2014.

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