

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   1st Session of the 54th Legislature (2013)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 2005

By: McNiel of the House

and

Brinkley of the Senate

7  
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10                                   COMMITTEE SUBSTITUTE

11                   An Act relating to revenue and taxation; amending 68  
12                   O.S. 2011, Section 2357.22, which relates to tax  
13                   credits for certain clean burning fuel properties;  
14                   modifying taxable years for which credit available;  
15                   modifying definitions; and providing an effective  
16                   date.

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

18                   SECTION 1.           AMENDATORY           68 O.S. 2011, Section 2357.22, is  
19 amended to read as follows:

20                   Section 2357.22 A. For tax years beginning before January 1,  
21 ~~2015~~ 2020, there shall be allowed a one-time credit against the  
22 income tax imposed by Section 2355 of this title

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

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

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

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

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

24

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  
24

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, "qualified electric motor vehicle~~  
8 ~~property" means a motor vehicle originally equipped to be propelled~~  
9 ~~only by electricity; provided, if a motor vehicle is also equipped~~  
10 ~~with an internal combustion engine, then such vehicle shall be~~  
11 ~~considered "qualified electric motor vehicle property" only to the~~  
12 ~~extent of the portion of the basis of such motor vehicle which is~~  
13 ~~attributable to the propulsion of the vehicle by electricity. The~~  
14 ~~term "qualified electric motor vehicle property" shall not apply to~~  
15 ~~vehicles known as "golf carts", "go carts" and other motor vehicles~~  
16 ~~which are manufactured principally for use off the streets and~~  
17 ~~highways.~~

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

21 ~~E.~~ D. The credit provided for in subsection A of this section  
22 shall be as follows:  
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1 1. For the qualified clean-burning motor vehicle fuel property  
2 defined in paragraph 1 or 2 of subsection B of this section and for  
3 the qualified electric motor vehicle property, fifty percent (50%)  
4 of the cost of the qualified clean-burning motor vehicle fuel  
5 property or qualified electric motor vehicle property;

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

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

15 ~~F.~~ E. In cases where no credit has been claimed pursuant to  
16 paragraph 1 of subsection ~~E~~ D of this section by any prior owner and  
17 in which a motor vehicle is purchased by a taxpayer with qualified  
18 clean-burning motor vehicle fuel property or qualified electric  
19 motor vehicle property installed by the manufacturer of such motor  
20 vehicle and the taxpayer is unable or elects not to determine the  
21 exact basis which is attributable to such property, the taxpayer may  
22 claim a credit in an amount not exceeding the lesser of ten percent  
23  
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1 (10%) of the cost of the motor vehicle or One Thousand Five Hundred  
2 Dollars (\$1,500.00).

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

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

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

17 SECTION 2. This act shall become effective November 1, 2013.

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19 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
20 02/18/2013 - DO PASS, As Amended and Coauthored.

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UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.