

1 **SENATE FLOOR VERSION**

2 February 5, 2013

3 As Amended

4 COMMITTEE SUBSTITUTE  
5 FOR

6 SENATE BILL NO. 343

7 By: Mazzei of the Senate

8 and

9 Sears of the House

10 **[ income tax - tax credit for certain qualified  
11 property - deleting obsolete language - effective  
12 date ]**

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

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

16 Section 2357.22. A. For tax years beginning before January 1,  
17 2015, there shall be allowed a one-time credit against the income  
18 tax imposed by Section 2355 of this title

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

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

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

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

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

18           3. Property, not including a building and its structural  
19 components, which is:

20           a. directly related to the delivery of compressed natural  
21 gas, liquefied natural gas or liquefied petroleum gas,  
22 ~~or hydrogen~~, for commercial purposes or for a fee or  
23 charge, into the fuel tank of a motor vehicle  
24 propelled by such fuel including compression equipment

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

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

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

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

23 C. ~~As used in this section, "qualified electric motor vehicle~~  
24 ~~property" means a motor vehicle originally equipped to be propelled~~

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

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

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

15 1. For the qualified clean-burning motor vehicle fuel property  
16 defined in paragraph 1 or 2 of subsection B of this section ~~and for~~  
17 ~~the qualified electric motor vehicle property~~, fifty percent (50%)  
18 of the cost of the qualified clean-burning motor vehicle fuel  
19 property ~~or qualified electric motor vehicle property;~~

20 2. For qualified clean-burning motor vehicle fuel property  
21 defined in paragraph 3 of subsection B of this section, a per-  
22 location credit of seventy-five percent (75%) of the cost of the  
23 qualified clean-burning motor vehicle fuel property; and  
24

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

6           ~~F.~~ E. In cases where no credit has been claimed pursuant to  
7 paragraph 1 of subsection E of this section by any prior owner and  
8 in which a motor vehicle is purchased by a taxpayer with qualified  
9 clean-burning motor vehicle fuel property ~~or qualified electric~~  
10 ~~motor vehicle property~~ installed by the manufacturer of such motor  
11 vehicle and the taxpayer is unable or elects not to determine the  
12 exact basis which is attributable to such property, the taxpayer may  
13 claim a credit in an amount not exceeding the lesser of ten percent  
14 (10%) of the cost of the motor vehicle or One Thousand Five Hundred  
15 Dollars (\$1,500.00).

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

22           H. A husband and wife who file separate returns for a taxable  
23 year in which they could have filed a joint return may each claim  
24

1 only one-half (1/2) of the tax credit that would have been allowed  
2 for a joint return.

3 ~~F.~~ G. The Oklahoma Tax Commission is herein empowered to  
4 promulgate rules by which the purpose of this section shall be  
5 administered, including the power to establish and enforce penalties  
6 for violations thereof.

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

8 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-5-13 - DO PASS,  
9 As Amended and Coauthored.

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