

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1711

By: Bingman

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5  
6 AS INTRODUCED

7 An Act relating to income tax; amending 68 O.S. 2011,  
8 Section 2357.22, as last amended by Section 1,  
9 Chapter 252, O.S.L. 2013 (68 O.S. Supp. 2013, Section  
10 2357.22), which relates to tax credits; clarifying  
11 time period during which certain credit may be  
12 claimed; and providing an effective date.

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

14 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2357.22, as  
15 last amended by Section 1, Chapter 252, O.S.L. 2013 (68 O.S. Supp.  
16 2013, Section 2357.22), is amended to read as follows:

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

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

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

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

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

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