

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 HOUSE BILL 1282

By: Cockroft

4
5
6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2011, Section 2357.22, as last amended by
9 Section 12, Chapter 328, O.S.L. 2014 (68 O.S. Supp.
10 2014, Section 2357.22), which relates to the income
11 tax credit for investments in qualified clean-burning
12 motor vehicle fuel property; adding certain delivery
property to definition of qualified clean-burning
motor vehicle fuel property; adding credit for
certain qualified clean-burning motor vehicle fuel
property; updating statutory citation; and providing
an effective date.

13
14
15 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

16 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2357.22, as
17 last amended by Section 12, Chapter 328, O.S.L. 2014 (68 O.S. Supp.
18 2014, Section 2357.22), is amended to read as follows:

19 Section 2357.22 A. For tax years beginning before January 1,
20 2020, there shall be allowed a one-time credit against the income
21 tax imposed by Section 2355 of this title for investments in
22 qualified clean-burning motor vehicle fuel property placed in
23 service after December 31, 1990.
24

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:

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

20 2. A motor vehicle originally equipped so that the vehicle may
21 be propelled by a hydrogen fuel cell, compressed natural gas,
22 liquefied natural gas or liquefied petroleum gas but only to the
23 extent of the portion of the basis of such motor vehicle which is
24 attributable to the storage of such fuel, the delivery to the engine

1 of such motor vehicle of such fuel, and the exhaust of gases from
2 combustion of such fuel. A motor vehicle originally equipped so
3 that the vehicle may be propelled by a hydrogen fuel cell shall only
4 be eligible for tax year 2010;

5 3. Property, not including a building and its structural
6 components, which is:

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

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

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

4 4. Property which is directly related to the delivery of
5 compressed natural gas from a mobile transporter vehicle, for
6 commercial purposes or for a fee or charge, into the fuel tank of a
7 motor vehicle propelled by compressed natural gas, but only if the
8 property is not used to deliver such fuel into any other type of
9 storage tank or receptacle and such fuel is not used for any purpose
10 other than to propel a motor vehicle. The property covered by this
11 paragraph shall be new and shall not have been previously installed
12 or used to refuel vehicles powered by natural gas; or

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

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

22 D. The credit provided for in subsection A of this section
23 shall be as follows:
24

1 1. After the effective date of this act, for the qualified
2 clean-burning motor vehicle fuel property defined in paragraph 1 or
3 2 of subsection B of this section, forty-five percent (45%) of the
4 cost of the qualified clean-burning motor vehicle fuel property;

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

9 3. For qualified clean-burning motor vehicle fuel property
10 defined in paragraph 4 of subsection B of this section, a credit of
11 seventy-five percent (75%) of the cost of the qualified clean-
12 burning motor vehicle fuel property; and

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

18 E. In cases where no credit has been claimed pursuant to
19 paragraph 1 of subsection D of this section by any prior owner and
20 in which a motor vehicle is purchased by a taxpayer with qualified
21 clean-burning motor vehicle fuel property installed by the
22 manufacturer of such motor vehicle and the taxpayer is unable or
23 elects not to determine the exact basis which is attributable to
24 such property, the taxpayer may claim a credit in an amount not

1 exceeding the lesser of ten percent (10%) of the cost of the motor
2 vehicle or One Thousand Five Hundred Dollars (\$1,500.00).

3 F. If the tax credit allowed pursuant to subsection A of this
4 section exceeds the amount of income taxes due or if there are no
5 state income taxes due on the income of the taxpayer, the amount of
6 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 G. A husband and wife who file separate returns for a taxable
10 year in which they could have filed a joint return may each claim
11 only one-half (1/2) of the tax credit that would have been allowed
12 for a joint return.

13 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 I. Notwithstanding the provisions of Section 2352 of this
18 title, for the fiscal year beginning on July 1, 2014, and each
19 fiscal year thereafter, the Tax Commission shall calculate an amount
20 that equals five percent (5%) of the cost of qualified clean-burning
21 motor vehicle fuel property as provided for in paragraph 1 of
22 subsection D of this section for tax year 2012. For each subsequent
23 fiscal year thereafter, the Tax Commission shall perform the same
24 computation with respect to the second tax year preceding the

1 beginning of each subsequent fiscal year. The Tax Commission shall
2 then transfer an amount equal to the amount calculated in this
3 subsection from the revenue derived pursuant to the provisions of
4 subsections A, B and E of Section 2355 of this title to the
5 Compressed Natural Gas Conversion Safety and Regulation Fund created
6 in Section ~~13~~ 130.25 of ~~this act~~ Title 74 of the Oklahoma Statutes.

7 SECTION 2. This act shall become effective November 1, 2015.

8
9 55-1-6222 KB 1/2/15

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24