

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	HB 2756
Version:	SUBPCS1
Request Number:	9796
Author:	Rep. Leslie Osborn
Date:	2/20/2018
Impact:	Preliminary Estimate of Impact: No Short Term Impact

Research Analysis

The subcommittee substitute for HB2756 modifies a tax credit for investments in qualified clean-burning motor vehicle fuel property to allow credits to be issued for the purchase of electric vehicles and home charging equipment. The measure also extends the sunset date of the credit until December 31, 2023 and changes the process for calculating credits. For the purchase or conversion of a qualified motor vehicle, the maximum credit amount is based on the weight of the vehicle.

Vehicle Weight (lbs)	Maximum Credit Amount
Under 6,000	\$ 5,500
6,001-10,000	\$ 9,000
10,001-26,500	\$ 26,000
26,501+	\$ 50,000

For the purchase of infrastructure property such as a refueling or charging station, the credit amount is decreased from 75 percent to 45 of the cost effective January 1, 2019.

The measure also increases the amount of years that unused credits can be carried forwarded from five to six years and establishes a \$32 million annual cap on credits claimed effective tax year 2018. The Oklahoma Tax Commission is directed to use a percentage adjustment formula to determine a percentage by which the credits authorized are to be reduced to satisfy the \$32 million annual cap. In the event that the total tax credits authorized exceed the annual cap, excess payment is authorized but the commission must factor the excess into the percentage adjustment formula for subsequent years. The commission must also notify the State Secretary of Energy and Environment any time the amount of credits claimed reaches 80 percent of the annual limit. The secretary is then required to notify the Governor, Speaker and Pro Tempore.

Prepared By: Quyen Do

Fiscal Analysis

Previous analysis completed by the Tax Commission indicated that total investment in motor vehicles and infrastructure approached \$31.0 million dollars. With an annual cap of \$32.0 million, preliminary analysis indicates the cap would not be reached in the short-term.

Tax Commission analysis on the provisions of the measure are under development.

Prepared By: Mark Tygret

Other Considerations

None.

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