

1 ENGROSSED SENATE
BILL NO. 826

By: Bice of the Senate

2
3 and

4 Roberts (Dustin) of the
House

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6 [income tax credits - investment in qualified 100%-
7 electric and plug-in hybrid electric vehicle related
8 property - credit and manner of computation of credit
- limit on total amount of tax credits - formula for
implementation - codification - effective date]

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

12 SECTION 1. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 2357.22A of Title 68, unless
14 there is created a duplication in numbering, reads as follows:

15 A. Except as otherwise provided in subsection G of this
16 section, for tax years beginning on January 1, 2020, and ending
17 before January 1, 2024, there shall be allowed a one-time credit
18 against the income tax imposed by Section 2355 of Title 68 of the
19 Oklahoma Statutes for investments in qualified 100%-electric and
20 plug-in hybrid electric vehicle related property placed in service
21 after December 31, 2019.

22 B. As used in this section, "qualified 100%-electric and plug-
23 in hybrid electric motor vehicle related property" means:

1 1. A 100%-electric motor vehicle originally equipped so that
2 the vehicle:

- 3 a. draws propulsion energy solely from a battery with at
4 least twenty (20) kilowatt hours of capacity, which
5 can be recharged from any external source of
6 electricity,
- 7 b. is manufactured primarily for use on public streets,
8 roads, and highways, but does not include a vehicle
9 operated exclusively on a rail or rails, and
- 10 c. which has at least four (4) wheels;

11 2. A plug-in hybrid electric motor vehicle which is originally
12 equipped so that the vehicle:

- 13 a. draws propulsion energy from:
 - 14 (1) an internal combustion engine, and
 - 15 (2) a battery with at least five (5) kilowatt hours
16 of capacity, which can be recharged from an
17 external source of electricity,
- 18 b. is manufactured primarily for use on public streets,
19 roads, and highways, but does not include a vehicle
20 operated exclusively on a rail or rails, and
- 21 c. which has at least four (4) wheels; or

22 3. Property, not including a building, which is directly
23 related to:

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1 a. the acquisition and installation of a publicly
2 accessible recharging system for motor vehicles
3 propelled in whole or in part by electricity. The
4 property covered by this paragraph must be new and
5 must not have been installed or used to recharge
6 vehicles powered by electricity prior to January 1,
7 2019. Provided, any property utilized pursuant to
8 this subparagraph to claim the credit provided by this
9 subsection shall not be allowed for any credit claimed
10 pursuant to Section 2357.22 of Title 68 of the
11 Oklahoma Statutes, or

12 b. the acquisition and installation of equipment at a
13 private home or residence that is capable of
14 delivering electricity into the storage unit of a
15 motor vehicle propelled in whole in part by
16 electricity. The property covered by this paragraph
17 must be new, must not have been installed or used to
18 recharge vehicles powered by electricity prior to
19 January 1, 2020, and must be used for noncommercial
20 purposes only.

21 For purposes of this subsection, the term "qualified 100%-electric
22 and plug-in hybrid electric motor vehicle related property" does not
23 include a vehicle that is manufactured primarily for off-road use,
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1 such as primarily for use on a golf course, and that has maximum
2 speed of thirty (30) miles per hour or less.

3 C. The credit provided for in subsection A of this section
4 shall be as follows:

5 1. For the purchase of qualified new 100%-electric and plug-in
6 hybrid electric motor vehicle property defined in paragraphs 1 and 2
7 of subsection B of this section, the amount of the credit shall be
8 as follows:

9 a. new 100%-electric vehicles - Three Thousand Dollars
10 (\$3,000.00), and

11 b. new plug-in hybrid electric vehicle - One Thousand
12 Five Hundred Dollars (\$1,500.00);

13 2. For qualified publicly accessible recharging systems for
14 motor vehicles propelled in whole or in part by electricity as
15 defined in subparagraph a of paragraph 3 of subsection B of this
16 section, a per-location credit of forty-five percent (45%) of the
17 cost of the qualified 100%-electric and plug-in hybrid electric
18 motor vehicle fuel property; and

19 3. For qualified acquisition and installation of equipment at a
20 private home or residence that is capable of delivering electricity
21 into the storage unit of a motor vehicle propelled in whole or in
22 part by electricity as defined in subparagraph b of paragraph 3 of
23 subsection B of this section, a per-location credit of the lesser of
24 fifty percent (50%) of the cost of the qualified 100%-electric and

1 plug-in hybrid electric motor vehicle property or One Thousand
2 Dollars (\$1,000.00).

3 D. 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 E. The tax credit authorized pursuant to the provisions of this
10 section shall not be used to reduce the tax liability of the
11 taxpayer to less than zero (0).

12 F. Married persons who file separate returns for a taxable year
13 in which they could have filed a joint return may each claim only
14 one-half (1/2) of the tax credit that would have been allowed for a
15 joint return.

16 G. For the tax year beginning January 1, 2020, and each year
17 thereafter, the total amount of credits authorized by this section
18 used to offset tax shall be adjusted annually to limit the annual
19 amount of credits to Eight Million Dollars (\$8,000,000.00). The Tax
20 Commission shall annually calculate and publish by the first day of
21 the affected tax year a percentage by which the credits authorized
22 by this section shall be reduced so the total amount of credits used
23 to offset tax does not exceed Eight Million Dollars (\$8,000,000.00)
24 per year. The formula to be used for the percentage adjustment

1 shall be Eight Million Dollars (\$8,000,000.00) divided by the
2 credits claimed in the second preceding year.

3 H. Pursuant to subsection G of this section, in the event the
4 total tax credits authorized by this section exceed Eight Million
5 Dollars (\$8,000,000.00) in any calendar year, the Tax Commission
6 shall permit any excess over Eight Million Dollars (\$8,000,000.00)
7 but shall factor such excess into the percentage adjustment formula
8 for subsequent years.

9 I. The Oklahoma Tax Commission may promulgate rules by which
10 the purpose of this section shall be administered including the
11 authority to establish and enforce penalties for violations thereof.

12 J. The Tax Commission shall notify the Office of the State
13 Secretary of Energy and Environment at any time when the amount of
14 claims for credits allowed pursuant to this subsection reaches
15 eighty percent (80%) of the total annual limit provided in
16 subsection G of this section. Upon such notification, the Secretary
17 shall provide notice to the Governor, President Pro Tempore of the
18 Senate and Speaker of the House of Representatives.

19 SECTION 2. The provisions of this act shall not become
20 effective as law unless Enrolled House Bill No. 1950 of the 1st
21 Session of the 57th Oklahoma Legislature becomes effective as law.

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1 Passed the Senate the 13th day of March, 2019.

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4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2019.

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8 _____
9 Presiding Officer of the House
10 of Representatives