

Qualified Clean-Burning Motor Vehicle Fuel Property Credit Amendment

The Oklahoma income tax credit allowed for investment in qualified clean-burning motor vehicle fuel property was amended.

The credit is allowed for investment in (1) qualified clean-burning motor vehicle fuel property equipment installed in, or originally a part of a motor vehicle so the vehicle may operate using compressed natural gas, liquified natural gas or liquified petroleum gas ("Qualified CNG Vehicle Equipment"), and (2) property directly related to delivery, for commercial purposes or for a fee or charge, of compressed natural gas, liquified natural gas or liquified petroleum gas into the fuel tank of a motor vehicle propelled by such fuel, including compression equipment and storage tanks at the point of delivery of the fuel ("Qualified CNG Fueling Property").

The amendment of the credit provides that the amount of the credit allowed for Qualified CNG Vehicle Equipment is to be based upon the gross vehicle weight of the qualified vehicle (\$5,500 for vehicles weighing up to 6,000 pounds, \$9,000 for 6,001 to 10,000 pounds, \$26,000 for 10,001 to 26,500 pounds, and \$50,000 for in excess of 26,501 pounds).

The amount of the credit allowed for Qualified CNG Fueling Property shall be forty-five percent (45%) of the cost of the qualified property. This is a change from the present provisions of the law allowing a credit of seventy-five percent (75%) of the cost of such property.

The law is amended to provide for an annual \$20 Million limit on the amount of credits allowed to taxpayers. HB 2095, amending 68 O. S. §2357.22, effective January 1, 2020.