

**COMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB484 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Adopted: \_\_\_\_\_

Amendment submitted by: Kevin McDugle \_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 PROPOSED  
4 COMMITTEE SUBSTITUTE  
5 FOR ENGROSSED  
6 SENATE BILL NO. 484

By: Paxton of the Senate

and

7 McDugle of the House

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10 PROPOSED COMMITTEE SUBSTITUTE

11 An Act relating to revenue and taxation; creating the  
12 Oklahoma Geothermal Investment Affordability Act;  
13 defining terms; creation of tax credit; establishing  
14 period of applicability; establishing eligibility  
15 criteria; providing for calculation; limiting  
16 aggregate amount of credits; authorizing the  
17 promulgation of rules; allowing for transfer by  
18 certain entities; providing for the rights and  
19 limitations of certain classes of taxpayers related  
20 to credits; requiring certain recapture of funds  
21 under certain conditions; requiring certain  
22 information authorizing the collection of certain  
23 information; authorizing the promulgation of rules;  
24 authorizing certain prequalification application  
process; providing for codification; and declaring an  
emergency.

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

1 SECTION 1. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 2357.407 of Title 68, unless  
3 there is created a duplication in numbering, reads as follows:

4 A. This act shall be known and may be cited as the "Oklahoma  
5 Geothermal Investment Affordability Act".

6 B. As used in this section:

7 1. "Federal geothermal energy tax credit" means the federal tax  
8 credit provided in Section 26 U.S. Code Section 48E as applied to  
9 eligible geothermal projects as described in Section 26 U.S. Code  
10 Section 48, as amended;

11 4. "Oklahoma Geothermal Investment Affordability Tax Credit"  
12 means the tax credit created by this section;

13 5. "Qualified geothermal project" means a project related to  
14 energy property which uses the ground or ground water as a thermal  
15 energy source to heat a structure or as a thermal energy sink to  
16 cool a structure; and

17 6. "Taxpayer" means a person, firm or corporation subject to  
18 the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes  
19 or an insurance company subject to the tax imposed by Sections 624  
20 and 628 of Title 36 of the Oklahoma Statutes or other financial  
21 institution subject to the tax imposed by Section 2370 of this  
22 title.

23 C. 1. There is hereby created for state tax years beginning on  
24 or after January 1, 2024, and ending no later than December 31,

1 2033, a tax credit for qualified projects placed in service in this  
2 state. Such credit shall be equal to Five Hundred Dollars (\$500.00)  
3 per ton of increased geothermal capacity resulting from a qualified  
4 project.

5 2. For qualified projects placed in service after the effective  
6 date of this act, the amount of total state tax credits utilized  
7 under the provisions of this act shall not exceed Twenty Million  
8 Dollars (\$20,000,000.00).

9 D. Any nontaxable entities, including agencies of the State of  
10 Oklahoma or political subdivisions thereof, shall be eligible to  
11 establish a transferable tax credit in the amount provided in  
12 subsection C of this section. Such tax credit shall be a property  
13 right available to a state agency or political subdivision of this  
14 state to transfer or sell to a taxable entity, whether individual or  
15 corporate, who shall have an actual or anticipated income tax  
16 liability under Section 2355 of this title. These tax credit  
17 provisions are authorized as an incentive to the State of Oklahoma,  
18 its agencies and political subdivisions to encourage the expenditure  
19 of funds in the development, construction and utilization of  
20 geothermal projects as described in this act.

21 E. A taxpayer owning an interest in an investment in a  
22 qualified project shall be allowed Oklahoma Geothermal Investment  
23 Affordability Tax Credits under this section for tax years beginning  
24 on or after January 1, 2024, which tax credits shall be allocated

1 among some or all of the partners, members, or shareholders of the  
2 taxpayer owning such interest in any manner agreed to by such  
3 partners, members or shareholders. Such taxpayer may assign its  
4 interest in the investment.

5 F. An insurance company claiming a credit against state premium  
6 tax or retaliatory tax or any other tax imposed by Sections 624 or  
7 628 of Title 36 of the Oklahoma Statutes shall not be required to  
8 pay any additional retaliatory tax under Section 628 of Title 36 of  
9 the Oklahoma Statutes as a result of claiming the credit. The  
10 credit may fully offset any retaliatory tax imposed by Section 628  
11 of Title 36 of the Oklahoma Statutes.

12 G. Any credit claimed but not used in a taxable year may be  
13 carried forward two (2) subsequent taxable years.

14 H. The owner of a qualified project eligible for the credit  
15 authorized by this section shall submit, at the time of filing the  
16 tax return with the Oklahoma Tax Commission, along with any  
17 additional information requested by the Oklahoma Tax Commission to  
18 determine eligibility for credits offered under the provisions of  
19 this act.

20 I. If under Section 42 of the Internal Revenue Code of 1986, as  
21 amended, a portion of any related federal geothermal energy tax  
22 credits taken on a qualified project is required to be recaptured  
23 during the first ten (10) years after a project is placed in  
24 service, the taxpayer claiming Oklahoma Geothermal Investment

1 Affordability Tax Credits with respect to such project shall also be  
2 required to recapture a portion of such credits. The amount of  
3 Oklahoma Geothermal Investment Affordability Tax Credits subject to  
4 recapture shall be proportionally equal to the amount of federal  
5 geothermal energy tax credits subject to recapture.

6 J. The Oklahoma Tax Commission may require the filing of an  
7 application for prequalification or request additional documentation  
8 necessary to determine the accuracy and eligibility for a tax credit  
9 claimed under the provisions of this act.

10 K. The Oklahoma Tax Commission shall promulgate rules as  
11 necessary to administer the provisions of this act; including but  
12 not limited to, implementation of an advanced allocation  
13 prequalification application process in order to administer the cap  
14 on total credits as established in subsection C of this section.

15 SECTION 2. This act shall become effective January 1, 2024.

16 59-1-8251 JM 04/18/23  
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