

1 ENGROSSED SENATE  
2 BILL NO. 1071

By: Montgomery of the Senate

3 and

4 Wallace of the House

5  
6 [ income tax - exemption - eligibility - application  
7 - codification - effective date ]  
8

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

10 SECTION 1. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 2357.91 of Title 68, unless  
12 there is created a duplication in numbering, reads as follows:

13 A. For tax years 2024 through 2034, revenues generated from the  
14 operation of a newly constructed establishment in this state placed  
15 in service after the effective date of this act, primarily engaged  
16 in the manufacture of hydrogen classified in the NAICS Manual under  
17 U.S. Industry No. 325120, shall be exempt from the tax imposed by  
18 Section 2355 of Title 68 of the Oklahoma Statutes for the first five  
19 (5) years of operations.

20 B. To qualify for the exemption provided in subsection A of  
21 this section, an establishment shall meet the following  
22 requirements:

23 1. The natural gas used in the production of the hydrogen shall  
24 be produced in this state; and

1           2. Payment of wages or salaries at a wage that equals or  
2 exceeds the average wage requirements in the Oklahoma Quality Jobs  
3 Program Act, Section 3601 et seq. of Title 68 of the Oklahoma  
4 Statutes.

5           C. Eligibility for an establishment pursuant to this section  
6 for each tax year shall be determined by the Oklahoma Tax  
7 Commission, upon the annual filing of an application provided by the  
8 Commission stating that the establishment qualifies and containing  
9 information as may be required by Commission.

10           SECTION 2. This act shall become effective November 1, 2023.

11           Passed the Senate the 20th day of March, 2023.

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Presiding Officer of the Senate

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15           Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
16 2023.

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Presiding Officer of the House  
of Representatives

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