

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-NINTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: March 21, 2023

BILL NUMBER: HB 2542 **STATUS AND DATE OF BILL:** Engrossed 3/20/23

AUTHORS: House O'Donnell and McBride Senate Woods

TAX TYPE (S): Income Tax **SUBJECT:** Credit

PROPOSAL: Amendatory

Engrossed HB 2542 proposes to amend 68 O.S. § 2357.22, which provides an income tax credit for investments in qualified clean-burning motor vehicle fuel property placed in service on or after January 1, 1991. Under the proposal, qualified clean-burning motor vehicle fuel property is expanded to include equipment installed to modify a motor vehicle that is propelled by a hydrogen fuel cell, effective for property placed in service on or after July 1, 2023.

EFFECTIVE DATE: Emergency - July 1, 2023

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 24: None.

FY 25: None.

March 21, 2023

DATE

Rick Miller

DIVISION DIRECTOR

bf

3/22/2023

DATE

Huan Gong

HUAN GONG, ECONOMIST

3/22/2023

DATE

Joseph P Gappa

FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

ATTACHMENT TO REVENUE IMPACT - HB 2542 [Engrossed] Prepared 3/21/23

Engrossed HB 2542 proposes to amend 68 O.S. § 2357.22, which provides an income tax credit for investments in qualified clean-burning motor vehicle fuel property placed in service on or after January 1, 1991.

Currently, qualified clean-burning motor vehicle fuel property includes a motor vehicle originally equipped so that the vehicle may be propelled by a hydrogen fuel cell electric fueling system, and certain property that is directly related to the delivery of hydrogen for commercial purposes or for a fee or charge into the fuel tank of a motor vehicle propelled by such fuel (effective for tax years 2010 and 2023 through 2028). Under the proposal, qualified clean-burning motor vehicle fuel property is expanded to include equipment installed to modify a motor vehicle that is propelled by a hydrogen fuel cell, effective for property placed in service on or after July 1, 2023.¹

U.S. Department of Energy records indicate that no hydrogen vehicles were registered in Oklahoma in 2021,² and there is no revenue impact expected as a result of the proposal.

¹ It is unclear under the proposal whether the existing credits for hydrogen fuel cell property are also amended to be effective for property placed in service on or after July 1, 2023.

² See <https://afdc.energy.gov/states/ok>.