

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

SPEAKER:

CHAIR:

I move to amend HB1427 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By deleting the content of the entire measure, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

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

Amendment submitted by: Jonathan Wilk \_\_\_\_\_

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

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 PROPOSED SUBCOMMITTEE  
4 SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 1427

By: Wilk

7 PROPOSED SUBCOMMITTEE SUBSTITUTE

8 An Act relating to revenue and taxation; amending 68  
9 O.S. 2021, Section 2357.22, as last amended by  
10 Section 153, Chapter 452, O.S.L. 2024 (68 O.S. Supp.  
11 2024, Section 2357.22), which relates to tax credits  
12 for clean burning motor vehicle fuel property;  
13 modifying provisions related to use of credit against  
14 insurance premium taxes; providing an effective date;  
15 and declaring an emergency.

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

17 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2357.22, as  
18 last amended by Section 153, Chapter 452, O.S.L. 2024 (68 O.S. Supp.  
19 2024, Section 2357.22), is amended to read as follows:

20 Section 2357.22. A. For tax years 2028 and before, there shall  
21 be allowed a one-time credit against the income tax imposed by  
22 Section 2355 of this title for investments in qualified clean-  
23 burning motor vehicle fuel property placed in service on or after  
24 January 1, 1991, or with respect to a hydrogen fuel cell, on or  
after the effective date of this act, or for credits claimed based  
upon investment in qualified clean burning motor vehicle fuel

1 property made on or after the effective date of this act, there  
2 shall be allowed a credit against the taxes imposed pursuant to  
3 Section 624 or 628 of Title 36 of the Oklahoma Statutes.

4 B. As used in this section, "qualified clean-burning motor  
5 vehicle fuel property" means:

6 1. Equipment installed to modify a motor vehicle which is  
7 propelled by gasoline or diesel fuel so that the vehicle may be  
8 propelled by compressed natural gas, a hydrogen fuel cell, liquefied  
9 natural gas, or liquefied petroleum gas. The equipment covered by  
10 this paragraph must:

- 11 a. be new, not previously used to modify or retrofit any  
12 vehicle propelled by gasoline or diesel fuel and be  
13 installed by an alternative fuels equipment technician  
14 who is certified in accordance with the Alternative  
15 Fuels Technician Certification Act,
- 16 b. meet all Federal Motor Vehicle Safety Standards set  
17 forth in 49 CFR 571, or
- 18 c. for any commercial motor vehicle (CMV), follow the  
19 Federal Motor Carrier Safety Regulations or Oklahoma  
20 Intrastate Motor Carrier Regulations;

21 2. A motor vehicle originally equipped so that the vehicle may  
22 be propelled by compressed natural gas, a hydrogen fuel cell, or  
23 liquefied natural gas or liquefied petroleum gas but only to the  
24 extent of the portion of the basis of such motor vehicle which is

1 attributable to the storage of such fuel, the delivery to the engine  
2 of such motor vehicle of such fuel, and the exhaust of gases from  
3 combustion of such fuel;

4 3. Property, not including a building and its structural  
5 components, which is:

6 a. directly related to the delivery of compressed natural  
7 gas, liquefied natural gas or liquefied petroleum gas,  
8 or hydrogen for commercial purposes or for a fee or  
9 charge, into the fuel tank of a motor vehicle  
10 propelled by such fuel including compression equipment  
11 and storage tanks for such fuel at the point where  
12 such fuel is so delivered but only if such property is  
13 not used to deliver such fuel into any other type of  
14 storage tank or receptacle and such fuel is not used  
15 for any purpose other than to propel a motor vehicle,  
16 or

17 b. a metered-for-fee, public access recharging system for  
18 motor vehicles propelled in whole or in part by  
19 electricity. The property covered by this paragraph  
20 must be new, and must not have been previously  
21 installed or used to refuel vehicles powered by  
22 compressed natural gas, liquefied natural gas or  
23 liquefied petroleum gas, hydrogen, or electricity;

24

1 4. Property which is directly related to the compression and  
2 delivery of natural gas from a private home or residence, for  
3 noncommercial purposes, into the fuel tank of a motor vehicle  
4 propelled by compressed natural gas. The property covered by this  
5 paragraph must be new and must not have been previously installed or  
6 used to refuel vehicles powered by natural gas; or

7 5. For tax years 2010 and 2023 through 2028, a motor vehicle  
8 originally equipped so that the vehicle may be propelled by a  
9 hydrogen fuel cell electric fueling system.

10 C. As used in this section, "motor vehicle" means a motor  
11 vehicle originally designed by the manufacturer to operate lawfully  
12 and principally on streets and highways.

13 D. The credit provided for in subsection A of this section  
14 shall be as follows:

15 1. For the qualified clean-burning motor vehicle fuel property  
16 defined in paragraphs 1, 2, or 5 of subsection B of this section,  
17 the amount of the credit shall be as follows based upon gross  
18 vehicle weight of the qualified vehicle:

19 a. for vehicles up to or below six thousand (6,000)  
20 pounds, the credit shall be a maximum of Five Thousand  
21 Five Hundred Dollars (\$5,500.00),

22 b. for vehicles between six thousand one (6,001) pounds  
23 to ten thousand (10,000) pounds, the credit shall be a  
24 maximum amount of Nine Thousand Dollars (\$9,000.00),

- 1           c.    for vehicles of ten thousand one (10,001) pounds, but  
2                   not in excess of twenty-six thousand five hundred  
3                   (26,500) pounds, the credit shall be a maximum amount  
4                   of Twenty-six Thousand Dollars (\$26,000.00), and  
5           d.    for vehicles in excess of twenty-six thousand five  
6                   hundred one (26,501) pounds, the credit shall be a  
7                   maximum amount of One Hundred Thousand Dollars  
8                   (\$100,000.00);

9           2.    For qualified clean-burning motor vehicle fuel property  
10           defined in paragraph 3 of subsection B of this section, a per-  
11           location credit of forty-five percent (45%) of the cost of the  
12           qualified clean-burning motor vehicle fuel property; and

13           3.    For qualified clean-burning motor vehicle fuel property  
14           defined in paragraph 4 of subsection B of this section, a per-  
15           location credit of the lesser of fifty percent (50%) of the cost of  
16           the qualified clean-burning motor vehicle fuel property or Two  
17           Thousand Five Hundred Dollars (\$2,500.00).

18           E.    In cases where no credit has been claimed pursuant to  
19           paragraph 1 of subsection D of this section by any prior owner and  
20           in which a motor vehicle is purchased by a taxpayer with qualified  
21           clean-burning motor vehicle fuel property installed by the  
22           manufacturer of such motor vehicle and the taxpayer is unable or  
23           elects not to determine the exact basis which is attributable to  
24           such property, the taxpayer may claim a credit in an amount not

1 exceeding the lesser of ten percent (10%) of the cost of the motor  
2 vehicle or One Thousand Five Hundred Dollars (\$1,500.00).

3 F. 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, in order, as a credit against  
8 subsequent income tax liability for a period not to exceed five (5)  
9 years. 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 G. A husband and wife who file separate returns for a taxable  
13 year in which they could have filed a joint return may each claim  
14 only one-half (1/2) of the tax credit that would have been allowed  
15 for a joint return.

16 H. The Oklahoma Tax Commission is herein empowered to  
17 promulgate rules by which the purpose of this section shall be  
18 administered including the power to establish and enforce penalties  
19 for violations thereof.

20 I. Notwithstanding the provisions of Section 2352 of this  
21 title, for the fiscal year beginning on July 1, 2014, through fiscal  
22 year 2023, the Tax Commission shall calculate an amount that equals  
23 five percent (5%) of the cost of qualified clean-burning motor  
24 vehicle fuel property as provided for in paragraph 1 of subsection D

1 of this section for tax year 2012. For each subsequent fiscal year  
2 thereafter, the Tax Commission shall perform the same computation  
3 with respect to the second tax year preceding the beginning of each  
4 subsequent fiscal year. For fiscal year 2024, the Tax Commission  
5 shall calculate an amount that equals twelve percent (12%) of the  
6 credit for qualified clean-burning motor vehicle fuel property as  
7 provided in paragraph 1 of subsection D of this section for tax year  
8 2021. For each subsequent fiscal year, the Tax Commission shall  
9 perform the same calculation for credits claimed in the second  
10 preceding tax year. The Tax Commission shall then transfer an  
11 amount equal to the amount calculated in this subsection from the  
12 revenue derived pursuant to the provisions of subsections A, B and E  
13 of Section 2355 of this title to the Compressed Natural Gas  
14 Conversion Safety and Regulation Fund created in Section 130.25 of  
15 Title 74 of the Oklahoma Statutes.

16 J. For the tax years 2020 through 2022, the total amount of  
17 credits authorized by this section used to offset tax shall be  
18 adjusted annually to limit the annual amount of credits to Twenty  
19 Million Dollars (\$20,000,000.00). The Tax Commission shall annually  
20 calculate and publish by the first day of the affected taxable year  
21 a percentage by which the credits authorized by this section shall  
22 be reduced so the total amount of credits used to offset tax does  
23 not exceed Twenty Million Dollars (\$20,000,000.00) per year. The  
24 formula to be used for the percentage adjustment shall be Twenty

1 Million Dollars (\$20,000,000.00) divided by the credits claimed in  
2 the second preceding year, with respect to any changes to the future  
3 of the credit.

4 K. Pursuant to subsection J of this section, in the event the  
5 total tax credits authorized by this section exceed Twenty Million  
6 Dollars (\$20,000,000.00) in any calendar year, the Tax Commission  
7 shall permit any excess over Twenty Million Dollars (\$20,000,000.00)  
8 but shall factor such excess into the percentage adjustment formula  
9 for subsequent years with respect to any changes to the future of  
10 the credit.

11 L. For the tax years 2023 through 2028, the total amount of  
12 credits authorized by this section used to offset tax shall be  
13 adjusted annually to limit the annual amount of credits to:

14 1. Ten Million Dollars (\$10,000,000.00) for qualified clean  
15 burning fuel property propelled by compressed natural gas, liquefied  
16 natural gas, or liquefied petroleum gas, property related to the  
17 delivery of compressed natural gas, liquefied natural gas or  
18 liquefied petroleum gas, and property directly related to the  
19 compression and delivery of natural gas;

20 2. Ten Million Dollars (\$10,000,000.00) for property originally  
21 equipped so that the vehicle may be propelled by a hydrogen fuel  
22 cell electric fueling system and property directly related to the  
23 delivery of hydrogen; and

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1           3. Ten Million Dollars (\$10,000,000.00) for property which is a  
2 metered-for-fee, public access recharging system for motor vehicles  
3 propelled in whole or in part by electricity.

4           The Tax Commission shall annually calculate and publish by the  
5 first day of the affected taxable year a percentage by which the  
6 credits authorized by this section shall be reduced so the total  
7 amount of credits used to offset tax does not exceed each of the  
8 limits provided in paragraphs 1 through 3 of this subsection. The  
9 formula to be used for the percentage adjustment shall be Ten  
10 Million Dollars (\$10,000,000.00) divided by the credits claimed in  
11 the second preceding year, with respect to any changes to the future  
12 of the credit.

13           M. Pursuant to subsection L of this section, in the event the  
14 tax credits authorized by this section exceed any of the limits  
15 provided in paragraphs 1 through 3 of subsection L of this section  
16 in any year, the Tax Commission shall permit any excess over Ten  
17 Million Dollars (\$10,000,000.00) but shall factor such excess into  
18 the percentage adjustment formula for subsequent years with respect  
19 to any changes to the future of the credit.

20           N. The Tax Commission shall notify the Office of the State  
21 Secretary of Energy and Environment at any time when the amount of  
22 claims for credits allowed pursuant to this section reaches eighty  
23 percent (80%) of the total annual limit provided in subsection J of  
24 this section. Upon such notification, the Secretary shall provide

1 notice to the Governor, President Pro Tempore of the Senate and  
2 Speaker of the House of Representatives.

3 SECTION 2. This act shall become effective July 1, 2025.

4 SECTION 3. It being immediately necessary for the preservation  
5 of the public peace, health or safety, an emergency is hereby  
6 declared to exist, by reason whereof this act shall take effect and  
7 be in full force from and after its passage and approval.

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9 60-1-12542 MAH 02/11/25

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