

1 **SENATE FLOOR VERSION**

2 February 10, 2025

3 SENATE BILL NO. 475

By: Prieto

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7 An Act relating to tax procedure; amending 68 O.S.
8 2021, Section 205, as last amended by Section 1,
9 Chapter 208, O.S.L. 2024 (68 O.S. Supp. 2024, Section
10 205), which relates to the confidential nature of
11 records and files of the Oklahoma Tax Commission;
12 excepting the disclosure of information pertaining to
13 the claim of certain tax credit; amending 68 O.S.
14 2021, Section 2357.22, as last amended by Section
15 153, Chapter 452, O.S.L. 2024 (68 O.S. Supp. 2024,
16 Section 2357.22), which relates to the one-time
17 credit against income tax for investments in
18 qualified clean-burning motor fuel property;
19 requiring the Oklahoma Tax Commission to verify
20 whether a credit has been claimed for certain vehicle
21 upon request; updating statutory references; updating
22 statutory language; and providing an effective date.

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

24 SECTION 1. AMENDATORY 68 O.S. 2021, Section 205, as last
amended by Section 1, Chapter 208, O.S.L. 2024 (68 O.S. Supp. 2024,
Section 205), is amended to read as follows:

Section 205. A. The records and files of the Oklahoma Tax
Commission concerning the administration of the Uniform Tax

1 Procedure Code or of any state tax law shall be considered
2 confidential and privileged, except as otherwise provided for by
3 law, and neither the Tax Commission nor any employee engaged in the
4 administration of the Tax Commission or charged with the custody of
5 any such records or files nor any person who may have secured
6 information from the Tax Commission shall disclose any information
7 obtained from the records or files or from any examination or
8 inspection of the premises or property of any person.

9 B. Except as provided in paragraph 26 of subsection C of this
10 section, neither the Tax Commission nor any employee engaged in the
11 administration of the Tax Commission or charged with the custody of
12 any such records or files shall be required by any court of this
13 state to produce any of the records or files for the inspection of
14 any person or for use in any action or proceeding, except when the
15 records or files or the facts shown thereby are directly involved in
16 an action or proceeding pursuant to the provisions of the Uniform
17 Tax Procedure Code or of the state tax law, or when the
18 determination of the action or proceeding will affect the validity
19 or the amount of the claim of the state pursuant to any state tax
20 law, or when the information contained in the records or files
21 constitutes evidence of violation of the provisions of the Uniform
22 Tax Procedure Code or of any state tax law.

23 C. The provisions of this section shall not prevent the Tax
24 Commission, or with respect to the Oklahoma Department of Commerce

1 in administration of the Oklahoma Rural Jobs Act as provided by
2 paragraph 22 of this subsection, from disclosing the following
3 information and no liability whatsoever, civil or criminal, shall
4 attach to any member of the Tax Commission, or the Oklahoma
5 Department of Commerce as applicable, or any employee thereof for
6 any error or omission in the disclosure of such information:

7 1. The delivery to a taxpayer or a duly authorized
8 representative of the taxpayer of a copy of any report or any other
9 paper filed by the taxpayer pursuant to the provisions of the
10 Uniform Tax Procedure Code or of any state tax law;

11 2. The exchange of information that is not protected by the
12 federal Privacy Protection Act, 42 U.S.C., Section 2000aa et seq.,
13 pursuant to reciprocal agreements entered into by the Tax Commission
14 and other state agencies or agencies of the federal government;

15 3. The publication of statistics so classified as to prevent
16 the identification of a particular report and the items thereof;

17 4. The examination of records and files by the State Auditor
18 and Inspector or the duly authorized agents of the State Auditor and
19 Inspector;

20 5. The disclosing of information or evidence to the Oklahoma
21 State Bureau of Investigation, Attorney General, Oklahoma State
22 Bureau of Narcotics and Dangerous Drugs Control, any district
23 attorney or agent of any federal law enforcement agency when the
24 information or evidence is to be used by such officials to

1 investigate or prosecute violations of the criminal provisions of
2 the Uniform Tax Procedure Code or of any state tax law or of any
3 federal crime committed against this state. Any information
4 disclosed to the Oklahoma State Bureau of Investigation, Attorney
5 General, Oklahoma State Bureau of Narcotics and Dangerous Drugs
6 Control, any district attorney or agent of any federal law
7 enforcement agency shall be kept confidential by such person and not
8 be disclosed except when presented to a court in a prosecution for
9 violation of the tax laws of this state or except as specifically
10 authorized by law, and a violation by the Oklahoma State Bureau of
11 Investigation, Attorney General, Oklahoma State Bureau of Narcotics
12 and Dangerous Drugs Control, district attorney or agent of any
13 federal law enforcement agency by otherwise releasing the
14 information shall be a felony;

15 6. The use by any division of the Tax Commission of any
16 information or evidence in the possession of or contained in any
17 report or return filed with any other division of the Tax
18 Commission;

19 7. The furnishing, at the discretion of the Tax Commission, of
20 any information disclosed by its records or files to any official
21 person or body of this state, any other state, the United States or
22 foreign country who is concerned with the administration or
23 assessment of any similar tax in this state, any other state or the
24 United States. The provisions of this paragraph shall include the

1 furnishing of information by the Tax Commission to a county assessor
2 to determine the amount of gross household income pursuant to the
3 provisions of Section 8C of Article X of the Oklahoma Constitution
4 or Section 2890 of this title. The Tax Commission shall promulgate
5 rules to give guidance to the county assessors regarding the type of
6 information which may be used by the county assessors in determining
7 the amount of gross household income pursuant to Section 8C of
8 Article X of the Oklahoma Constitution or Section 2890 of this
9 title. The provisions of this paragraph shall also include the
10 furnishing of information to the State Treasurer for the purpose of
11 administration of the Uniform Unclaimed Property Act;

12 8. The furnishing of information to other state agencies for
13 the limited purpose of aiding in the collection of debts owed by
14 individuals to such requesting agencies;

15 9. The furnishing of information requested by any member of the
16 general public and stated in the sworn lists or schedules of taxable
17 property of public service corporations organized, existing, or
18 doing business in this state which are submitted to and certified by
19 the State Board of Equalization pursuant to the provisions of
20 Section 2858 of this title and Section 21 of Article X of the
21 Oklahoma Constitution, provided such information would be a public
22 record if filed pursuant to Sections 2838 and 2839 of this title on
23 behalf of a corporation other than a public service corporation;

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1 10. The furnishing of information requested by any member of
2 the general public and stated in the findings of the Tax Commission
3 as to the adjustment and equalization of the valuation of real and
4 personal property of the counties of the state, which are submitted
5 to and certified by the State Board of Equalization pursuant to the
6 provisions of Section 2865 of this title and Section 21 of Article X
7 of the Oklahoma Constitution;

8 11. The furnishing of information as to the issuance or
9 revocation of any tax permit, license or exemption by the Tax
10 Commission as provided for by law. Such information shall be
11 limited to the name of the person issued the permit, license or
12 exemption, the name of the business entity authorized to engage in
13 business pursuant to the permit, license or exemption, the address
14 of the business entity and the grounds for revocation;

15 12. The posting of notice of revocation of any tax permit or
16 license upon the premises of the place of business of any business
17 entity which has had any tax permit or license revoked by the Tax
18 Commission as provided for by law. Such notice shall be limited to
19 the name of the person issued the permit or license, the name of the
20 business entity authorized to engage in business pursuant to the
21 permit or license, the address of the business entity and the
22 grounds for revocation;

23 13. The furnishing of information upon written request by any
24 member of the general public as to the outstanding and unpaid amount

1 due and owing by any taxpayer of this state for any delinquent tax,
2 together with penalty and interest, for which a tax warrant or a
3 certificate of indebtedness has been filed pursuant to law;

4 14. After the filing of a tax warrant pursuant to law, the
5 furnishing of information upon written request by any member of the
6 general public as to any agreement entered into by the Tax
7 Commission concerning a compromise of tax liability for an amount
8 less than the amount of tax liability stated on such warrant;

9 15. The disclosure of information necessary to complete the
10 performance of any contract authorized by this title to any person
11 with whom the Tax Commission has contracted;

12 16. The disclosure of information to any person for a purpose
13 as authorized by the taxpayer pursuant to a waiver of
14 confidentiality. The waiver shall be in writing and shall be made
15 upon such form as the Tax Commission may prescribe;

16 17. The disclosure of information required in order to comply
17 with the provisions of Section 2369 of this title;

18 18. The disclosure to an employer, as defined in Sections
19 2385.1 and 2385.3 of this title, of information required in order to
20 collect the tax imposed by Section 2385.2 of this title;

21 19. The disclosure to a plaintiff of a corporation's last-known
22 address shown on the records of the Franchise Tax Division of the
23 Tax Commission in order for such plaintiff to comply with the
24 requirements of Section 2004 of Title 12 of the Oklahoma Statutes;

1 20. The disclosure of information directly involved in the
2 resolution of the protest by a taxpayer to an assessment of tax or
3 additional tax or the resolution of a claim for refund filed by a
4 taxpayer, including the disclosure of the pendency of an
5 administrative proceeding involving such protest or claim, to a
6 person called by the Tax Commission as an expert witness or as a
7 witness whose area of knowledge or expertise specifically addresses
8 the issue addressed in the protest or claim for refund. Such
9 disclosure to a witness shall be limited to information pertaining
10 to the specific knowledge of that witness as to the transaction or
11 relationship between taxpayer and witness;

12 21. The disclosure of information necessary to implement an
13 agreement authorized by Section 2702 of this title when such
14 information is directly involved in the resolution of issues arising
15 out of the enforcement of a municipal sales tax ordinance. Such
16 disclosure shall be to the governing body or to the municipal
17 attorney, if so designated by the governing body;

18 22. The furnishing of information regarding incentive payments
19 made pursuant to the provisions of Sections 3601 through 3609 of
20 this title, incentive payments made pursuant to the provisions of
21 Sections 3501 through 3508 of this title, or tax credits claimed
22 pursuant to the provisions of ~~Sections 1 through 8 of this act~~
23 Sections 3930 through 3937 of this title;

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1 23. The furnishing to a prospective purchaser of any business,
2 or his or her authorized representative, of information relating to
3 any liabilities, delinquencies, assessments or warrants of the
4 prospective seller of the business which have not been filed of
5 record, established or become final and which relate solely to the
6 seller's business. Any disclosure under this paragraph shall only
7 be allowed upon the presentment by the prospective buyer, or the
8 buyer's authorized representative, of the purchase contract and a
9 written authorization between the parties;

10 24. The furnishing of information as to the amount of state
11 revenue affected by the issuance or granting of any tax permit,
12 license, exemption, deduction, credit or other tax preference by the
13 Tax Commission as provided for by law. Such information shall be
14 limited to the type of permit, license, exemption, deduction, credit
15 or other tax preference issued or granted, the date and duration of
16 such permit, license, exemption, deduction, credit or other tax
17 preference and the amount of such revenue. The provisions of this
18 paragraph shall not authorize the disclosure of the name of the
19 person issued such permit, license, exemption, deduction, credit or
20 other tax preference, or the name of the business entity authorized
21 to engage in business pursuant to the permit, license, exemption,
22 deduction, credit or other tax preference;

23 25. The examination of records and files of a person or entity
24 by the Oklahoma State Bureau of Narcotics and Dangerous Drugs

1 Control, district attorney or the Attorney General pursuant to a
2 court order by a magistrate in whose territorial jurisdiction the
3 person or entity resides, or where the Tax Commission records and
4 files are physically located. Such an order may only be issued upon
5 a sworn application by an agent of the Oklahoma State Bureau of
6 Narcotics and Dangerous Drugs Control or the Attorney General,
7 certifying that the person or entity whose records and files are to
8 be examined is the target of an ongoing investigation of a felony
9 violation of the Uniform Controlled Dangerous Substances Act and
10 that information resulting from such an examination would likely be
11 relevant to that investigation. Any records or information obtained
12 pursuant to such an order may only be used by the Oklahoma State
13 Bureau of Narcotics and Dangerous Drugs Control, district attorney
14 or the Attorney General in the investigation and prosecution of a
15 felony violation of the Uniform Controlled Dangerous Substances Act
16 or money laundering pursuant to Section 2001 of Title 21 of the
17 Oklahoma Statutes. Any such order issued pursuant to this
18 paragraph, along with the underlying application, shall be sealed
19 and not disclosed to the person or entity whose records were
20 examined, for a period of ninety (90) days. The issuing magistrate
21 may grant extensions of such period upon a showing of good cause in
22 furtherance of the investigation. Upon the expiration of ninety
23 (90) days and any extensions granted by the magistrate, a copy of
24 the application and order shall be served upon the person or entity

1 whose records were examined, along with a copy of the records or
2 information actually provided by the Tax Commission;

3 26. The disclosure of information, as prescribed by this
4 paragraph, which is related to the proposed or actual usage of tax
5 credits pursuant to Section 2357.7 of this title, the Small Business
6 Capital Formation Incentive Act or the Rural Venture Capital
7 Formation Incentive Act. Unless the context clearly requires
8 otherwise, the terms used in this paragraph shall have the same
9 meaning as defined by Section 2357.7, 2357.61 or 2357.72 of this
10 title. The disclosure of information authorized by this paragraph
11 shall include:

- 12 a. the legal name of any qualified venture capital
13 company, qualified small business capital company or
14 qualified rural small business capital company,
- 15 b. the identity or legal name of any person or entity
16 that is a shareholder or partner of a qualified
17 venture capital company, qualified small business
18 capital company or qualified rural small business
19 capital company,
- 20 c. the identity or legal name of any Oklahoma business
21 venture, Oklahoma small business venture or Oklahoma
22 rural small business venture in which a qualified
23 investment has been made by a capital company, or

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1 d. the amount of funds invested in a qualified venture
2 capital company, the amount of qualified investments
3 in a qualified small business capital company or
4 qualified rural small business capital company and the
5 amount of investments made by a qualified venture
6 capital company, qualified small business capital
7 company, or qualified rural small business capital
8 company;

9 27. The disclosure of specific information as required by
10 Section 46 of Title 62 of the Oklahoma Statutes;

11 28. The disclosure of specific information as required by
12 Section 205.5 of this title;

13 29. The disclosure of specific information as required by
14 Section 205.6 of this title;

15 30. The disclosure of information to the State Treasurer
16 necessary to implement Section 2368.27 of this title;

17 31. The disclosure of specific information to the Oklahoma
18 Health Care Authority for purposes of determining eligibility for
19 current or potential recipients of assistance from the Oklahoma
20 Medicaid Program;

21 32. The disclosure of information to the Oklahoma Department of
22 Veterans Affairs including but not limited to the name and basis for
23 eligibility of each individual who qualifies for the sales tax
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1 exemption authorized in paragraph 34 of Section 1357 of this title;
2 ~~or~~

3 33. The disclosure of information to the Oklahoma Medical
4 Marijuana Authority for the purposes of compliance with the Oklahoma
5 Medical Marijuana and Patient Protection Act or Section 420 et seq.
6 of Title 63 of the Oklahoma Statutes; or

7 34. The disclosure of information required in order to comply
8 with the provisions of subsection H of Section 2357.22 of this
9 title.

10 D. The Tax Commission shall cause to be prepared and made
11 available for public inspection in the office of the Tax Commission
12 in such manner as it may determine an annual list containing the
13 name and post office address of each person, whether individual,
14 corporate or otherwise, making and filing an income tax return with
15 the Tax Commission.

16 It is specifically provided that no liability whatsoever, civil
17 or criminal, shall attach to any member of the Tax Commission or any
18 employee thereof for any error or omission of any name or address in
19 the preparation and publication of the list.

20 E. The Tax Commission shall prepare or cause to be prepared a
21 report on all provisions of state tax law that reduce state revenue
22 through exclusions, deductions, credits, exemptions, deferrals or
23 other preferential tax treatments. The report shall be prepared not
24 later than October 1 of each even-numbered year and shall be

1 submitted to the Governor, the President Pro Tempore of the Senate
2 and the Speaker of the House of Representatives. The Tax Commission
3 may prepare and submit supplements to the report at other times of
4 the year if additional or updated information relevant to the report
5 becomes available. The report shall include, for the previous
6 fiscal year, the Tax Commission's best estimate of the amount of
7 state revenue that would have been collected but for the existence
8 of each such exclusion, deduction, credit, exemption, deferral or
9 other preferential tax treatment allowed by law. The Tax Commission
10 may request the assistance of other state agencies as may be needed
11 to prepare the report. The Tax Commission is authorized to require
12 any recipient of a tax incentive or tax expenditure to report to the
13 Tax Commission such information as requested so that the Tax
14 Commission may fulfill its obligations as required by this
15 subsection. The Tax Commission may require this information to be
16 submitted in an electronic format. The Tax Commission may disallow
17 any claim of a person for a tax incentive due to its failure to file
18 a report as required under the authority of this subsection.

19 F. It is further provided that the provisions of this section
20 shall be strictly interpreted and shall not be construed as
21 permitting the disclosure of any other information contained in the
22 records and files of the Tax Commission relating to income tax or to
23 any other taxes.

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1 G. Unless otherwise provided for in this section, any violation
2 of the provisions of this section shall constitute a misdemeanor and
3 shall be punishable by the imposition of a fine not exceeding One
4 Thousand Dollars (\$1,000.00) or by imprisonment in the county jail
5 for a term not exceeding one (1) year, or by both such fine and
6 imprisonment, and the offender shall be removed or dismissed from
7 office.

8 H. Offenses described in Section 2376 of this title shall be
9 reported to the appropriate district attorney of this state by the
10 Tax Commission as soon as the offenses are discovered by the Tax
11 Commission or its agents or employees. The Tax Commission shall
12 make available to the appropriate district attorney or to the
13 authorized agent of the district attorney its records and files
14 pertinent to prosecutions, and such records and files shall be fully
15 admissible as evidence for the purpose of such prosecutions.

16 SECTION 2. AMENDATORY 68 O.S. 2021, Section 2357.22, as
17 last amended by Section 153, Chapter 452, O.S.L. 2024 (68 O.S. Supp.
18 2024, Section 2357.22), is amended to read as follows:

19 Section 2357.22. A. For tax years 2028 and before, there shall
20 be allowed a one-time credit against the income tax imposed by
21 Section 2355 of this title for investments in qualified clean-
22 burning motor vehicle fuel property placed in service on or after
23 January 1, 1991, or with respect to a hydrogen fuel cell, on or
24 after ~~the effective date of this act~~ July 1, 2023.

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

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

8 a. be new, not previously used to modify or retrofit any
9 vehicle propelled by gasoline or diesel fuel and be
10 installed by an alternative fuels equipment technician
11 who is certified in accordance with the Alternative
12 Fuels Technician Certification Act,

13 b. meet all Federal Motor Vehicle Safety Standards set
14 forth in 49 CFR 571, or

15 c. for any commercial motor vehicle (CMV), follow the
16 Federal Motor Carrier Safety Regulations or Oklahoma
17 Intrastate Motor Carrier Regulations;

18 2. A motor vehicle originally equipped so that the vehicle may
19 be propelled by compressed natural gas, a hydrogen fuel cell, or
20 liquefied natural gas or liquefied petroleum gas but only to the
21 extent of the portion of the basis of such motor vehicle which is
22 attributable to the storage of such fuel, the delivery to the engine
23 of such motor vehicle of such fuel, and the exhaust of gases from
24 combustion of such fuel;

1 3. Property, not including a building and its structural
2 components, which is:

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

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

21 4. Property which is directly related to the compression and
22 delivery of natural gas from a private home or residence, for
23 noncommercial purposes, into the fuel tank of a motor vehicle
24 propelled by compressed natural gas. The property covered by this

1 paragraph must be new and must not have been previously installed or
2 used to refuel vehicles powered by natural gas; or

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

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

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

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

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

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

21 c. for vehicles of ten thousand one (10,001) pounds, but
22 not in excess of twenty-six thousand five hundred
23 (26,500) pounds, the credit shall be a maximum amount
24 of Twenty-six Thousand Dollars (\$26,000.00), and

1 d. for vehicles in excess of twenty-six thousand five
2 hundred one (26,501) pounds, the credit shall be a
3 maximum amount of One Hundred Thousand Dollars
4 (\$100,000.00);

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

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

14 E. In cases where no credit has been claimed pursuant to
15 paragraph 1 of subsection D of this section by any prior owner and
16 in which a motor vehicle is purchased by a taxpayer with qualified
17 clean-burning motor vehicle fuel property installed by the
18 manufacturer of such motor vehicle and the taxpayer is unable or
19 elects not to determine the exact basis which is attributable to
20 such property, the taxpayer may claim a credit in an amount not
21 exceeding the lesser of ten percent (10%) of the cost of the motor
22 vehicle or One Thousand Five Hundred Dollars (\$1,500.00).

23 F. If the tax credit allowed pursuant to subsection A of this
24 section exceeds the amount of income taxes due or if there are no

1 state income taxes due on the income of the taxpayer, the amount of
2 the credit not used as an offset against the income taxes of a
3 taxable year may be carried forward, in order, as a credit against
4 subsequent income tax liability for a period not to exceed five (5)
5 years. The tax credit authorized pursuant to the provisions of this
6 section shall not be used to reduce the tax liability of the
7 taxpayer to less than zero (0).

8 G. A husband and wife who file separate returns for a taxable
9 year in which they could have filed a joint return may each claim
10 only one-half (1/2) of the tax credit that would have been allowed
11 for a joint return.

12 H. The Oklahoma Tax Commission is herein empowered to
13 promulgate rules by which the purpose of this section shall be
14 administered including the power to establish and enforce penalties
15 for violations thereof. Upon the request of an individual, the
16 Commission shall, in a reasonably timely manner, verify whether a
17 credit authorized pursuant to subsection A of this section has been
18 previously claimed for a vehicle, as identified by its vehicle
19 identification number.

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 3. This act shall become effective November 1, 2025.

4 COMMITTEE REPORT BY: COMMITTEE ON REVENUE AND TAXATION
5 February 10, 2025 - DO PASS
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