OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

PHONE (405) 521-3133
FACSIMILE (405) 522-0063

August 6, 2008

Re: LR 08-082; Income Tax - Credit for Investments in Qualified Clean-Burning Motor Vehicle Property or Qualified Electric Vehicle Property

Dear :

This is in response to your inquiry of July 11, 2008 wherein you requested a ruling concerning the Oklahoma Credit for Investments in Qualified Clean-Burning Motor Vehicle Property or Qualified Electric Vehicle Property (68 O.S. § 2357.22) What follows is verbatim your facts and requested ruling and our response thereto.

FACTS:

I plan to open a new business selling new electric powered low/medium speed electric vehicles. These vehicles will be total electric from the initial construction and sale. These vehicles will be street legal and tagged by the local Okla. Tag Agency.

RULING REQUESTED:

Do these vehicles (new, totally electric) qualify for the credit of fifty percent (50%) of the purchase price?

OTC RESPONSE:

Under 68 O.S. § 2357.22 (D) there is a credit (Credit for Investments in Qualified Clean-Burning Motor Vehicle Property or Qualified Electric Vehicle Property) based on fifty percent of the cost of the qualified electric motor vehicle property. Under 68 O.S. § 2357.22 (C), this credit is not available to electric motor vehicles primarily designed for use off streets and highways.

Based on the information you provided, the vehicles you intend to sell would qualify for the credit of fifty percent (50%) of the purchase price since they are street legal and are primarily

designed to be used on streets and highways and are not golf carts or go carts.

This response applies only to the circumstances set out in your request of July 11, 2008. Pursuant to Commission Rule 710:1-3-73(e), this Letter Ruling may be generally relied upon **only** by the entity to whom it is issued, assuming that all pertinent facts have been accurately and completely stated, and that there has been no change in applicable law.

If I can be of further assistance, please feel free to call me at (405) 521-3133.

Sincerely,

OKLAHOMA TAX COMMISSION