OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

PHONE (405) 521-3133
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December 19, 2008

Re: LR 08-140; Income Tax - Clean Burning Motor Vehicle Fuel Property Credit

Dear

This is in response to your inquiry of September 9, 2008 wherein you requested a ruling concerning Clean Burning Motor Vehicle Fuel Property Credit (68 O.S. § 2357.22). What follows is verbatim your facts and requested ruling and our response thereto.

FACTS:

I am considering purchasing a compressed natural gas alternative fuel vehicle and fueling equipment for that vehicle to be used in our family business. The fueling equipment is in used condition from a dealer in The dealer does not know if the tax credit had been previously taken on the equipment or not by the previous owner.

QUESTION:

Will I be eligible to take the credit with proper documentation even though the equipment is used and the credit possibly claimed before by another individual or business?

OTC RESPONSE:

Under 68 O.S. § 2357.22 there is allowed "a one-time credit against the income tax imposed by Section 2355 of this title for investments in qualified clean-burning motor vehicle fuel property..." Compressed natural gas vehicle and associated compressed natural gas fuel delivery property qualify for this credit. At issue is the one-time language in the statute. It is our position that this applies to the assets in question and if the asset had the Clean Burning Motor Vehicle Fuel Property Credit claimed previously, a purchaser of the used property would not be eligible for the credit.

This response applies only to the circumstances set out in your request of September 9, 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

Michael C. Kaufmann
Tax Policy Analyst