

Oklahoma Laws and Incentives for Tax Incentives

The list below contains summaries of all Oklahoma laws and incentives related to Tax Incentives.

State Incentives

Alternative Fuel Vehicle (AFV) Tax Credit

For tax years beginning before January 1, 2020, a one-time income tax credit is available for 50% of the incremental cost of purchasing a new original equipment manufacturer AFV, excluding electric vehicles, or converting a vehicle to operate on an alternative fuel. The state also provides a tax credit for 10% of the total vehicle cost, up to \$1,500, if the incremental cost of a new AFV cannot be determined or when an AFV is resold, as long as a tax credit has not been previously taken on the vehicle. Equipment used for conversions must be new; must not have been previously used to modify or retrofit any vehicle; must meet applicable federal and state safety standards; and must be installed by a state certified alternative fuels equipment technician. The alternative fuels eligible for the credit are compressed natural gas, liquefied natural gas, hydrogen, and liquefied petroleum gas (propane). Tax credits may be carried forward for up to five years. (Reference [House Bill](#) 1718, 2013; [House Bill](#) 2005, 2013; and [Oklahoma Statutes](#) 68-2357.22)

Alternative Fueling Infrastructure Tax Credit

For tax years beginning before January 1, 2020, a tax credit is available for up to 75% of the cost of installing commercial alternative fueling infrastructure. Eligible alternative fuels include compressed natural gas (CNG), liquefied natural gas, liquefied petroleum gas (propane), hydrogen, and electricity. The infrastructure must be new and must not have been previously installed or used to fuel alternative fuel vehicles. A tax credit is also available for up to 50% of the cost of installing a residential CNG fueling system, for up to \$2,500. The tax credit may be carried forward for up to five years. (Reference [House Bill](#) 2005, 2013, and [Oklahoma Statutes](#) 68-2357.22)

All-Electric Vehicle (EV) Manufacturing Tax Credit

Vehicle manufacturers are eligible for a tax credit for EVs, including low- and medium-speed EVs, manufactured on or after July 1, 2010. EVs that can legally be operated on interstate highways and turnpikes in the state are eligible for a \$2,000 credit per vehicle. Four-wheeled medium-speed EVs are eligible for a \$1,000 credit per vehicle. Four-wheeled low-speed EVs are eligible for a \$500 credit per vehicle. Tax credits may be carried forward for up to five years. This incentive is available through December 31, 2013. (Reference [House Bill](#) 2308, 2013, and [Oklahoma Statutes](#) 68-2357.402)

Biodiesel Production Tax Credit

A biodiesel facility may receive a credit of \$0.075 per gallon of biodiesel for up to 36 consecutive months for new fuel production. To be eligible for this credit, the facility must not have received credits before January 1, 2013, must have expanded its capacity by at least two million gallons after January 1, 2013, or must have achieved annual production of more than twelve times the monthly average of the three highest production months in the previous year. The credit will be capped at ten million gallons of biodiesel per year per biodiesel facility. If the credit allowed exceeds the amount of income taxes due, the excess amount may be carried forward as a credit against subsequent income tax liability for up to five years. Additional restrictions may apply. This incentive is available through December 31, 2013. (Reference [House Bill](#) 2308, 2013, and [Oklahoma Statutes](#) 68-2357.67)

Ethanol Production Tax Credit

An ethanol facility is eligible for a credit of \$0.075 per gallon of ethanol, before denaturing, for new production for up to 36 consecutive months. To be eligible for this credit, the facility must not have received credits before January 1, 2013, must have expanded its capacity by at least two million gallons after January 1, 2013, or must have achieved annual production of more than twelve times the monthly average of the three highest production months in the previous year. The credit will be capped at ten million gallons of ethanol per year per ethanol facility and 30 million gallons of ethanol per year at all ethanol facilities in the state. Additional restrictions may apply. This incentive is available through December 31, 2013. (Reference [House Bill](#) 2308, 2013, and [Oklahoma Statutes](#) 68-2357.66)

Ethanol Fuel Retailer Tax Credit

Retailers that sell fuel blends of gasoline containing up to 15% ethanol by volume (E15) are eligible for a motor fuel tax credit of \$0.016 per gallon of ethanol blended into gasoline and sold in Oklahoma, as long as the retailer provides a price reduction to the purchaser of the ethanol fuel in the same amount. This incentive is effective unless the federal government mandates the use of reformulated fuel in an area within Oklahoma that is in nonattainment with the National Ambient Air Quality Standards. (Reference [Oklahoma Statutes](#) 68-500.10-1)

The AFDC is a resource of the U.S. Department of Energy's Clean Cities program.

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