

1 **SENATE FLOOR VERSION**

2 February 27, 2023

3 SENATE BILL NO. 1071

By: Montgomery of the Senate

4 and

5 Wallace of the House

6
7
8 [income tax - exemption - eligibility - application
9 - codification - effective date]

10
11 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

12 SECTION 1. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 2357.91 of Title 68, unless
14 there is created a duplication in numbering, reads as follows:

15 A. For tax years 2024 through 2034, revenues generated from the
16 operation of a newly constructed establishment in this state placed
17 in service after the effective date of this act, primarily engaged
18 in the manufacture of hydrogen classified in the NAICS Manual under
19 U.S. Industry No. 325120, shall be exempt from the tax imposed by
20 Section 2355 of Title 68 of the Oklahoma Statutes for the first five
21 (5) years of operations.

22 B. To qualify for the exemption provided in subsection A of
23 this section, an establishment shall meet the following
24 requirements:

1 1. The natural gas used in the production of the hydrogen shall
2 be produced in this state; and

3 2. Payment of wages or salaries at a wage that equals or
4 exceeds the average wage requirements in the Oklahoma Quality Jobs
5 Program Act, Section 3601 et seq. of Title 68 of the Oklahoma
6 Statutes.

7 C. Eligibility for an establishment pursuant to this section
8 for each tax year shall be determined by the Oklahoma Tax
9 Commission, upon the annual filing of an application provided by the
10 Commission stating that the establishment qualifies and containing
11 information as may be required by Commission.

12 SECTION 2. This act shall become effective November 1, 2023.

13 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
14 February 27, 2023 - DO PASS
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