

1 ENGROSSED HOUSE AMENDMENT  
TO  
2 ENGROSSED SENATE BILL NO. 484 By: Paxton of the Senate  
3 and  
4 McDugle and Boles of the  
5 House  
6  
7 [ Oklahoma Geological Survey - appropriation -  
8 effective date - emergency ]  
9  
10  
11 AUTHOR: Add the following House coauthors: Deck and Conley  
12 AUTHOR: Add the following Senate coauthor: Garvin  
13  
14 AMENDMENT NO. 1. Strike the title, enacting clause, and entire bill  
15 and insert:  
16  
17 "[ revenue and taxation - Oklahoma Geothermal  
18 Investment Affordability Act - tax credit -  
19 effective date ]  
20  
21  
22 ~~BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:~~  
23  
24

1 SECTION 1. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 2357.407 of Title 68, unless  
3 there is created a duplication in numbering, reads as follows:

4 A. This act shall be known and may be cited as the "Oklahoma  
5 Geothermal Investment Affordability Act".

6 B. As used in this section:

7 1. "Federal geothermal energy tax credit" means the federal tax  
8 credit provided in Section 26 U.S.C. Section 48E as applied to  
9 eligible geothermal projects as described in Section 26 U.S.C.  
10 Section 48, as amended;

11 2. "Oklahoma Geothermal Investment Affordability Tax Credit"  
12 means the tax credit created by this section;

13 3. "Qualified geothermal project" means a project related to  
14 energy property which uses the ground or groundwater as a thermal  
15 energy source to heat a structure or as a thermal energy sink to  
16 cool a structure; and

17 4. "Taxpayer" means a person, firm, or corporation subject to  
18 the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes  
19 or an insurance company subject to the tax imposed by Sections 624  
20 and 628 of Title 36 of the Oklahoma Statutes or other financial  
21 institution subject to the tax imposed by Section 2370 of Title 68  
22 of the Oklahoma Statutes.

23 C. 1. There is hereby created for state tax years beginning on  
24 or after January 1, 2024, and ending no later than December 31,

1 2033, a tax credit for qualified projects placed in service in this  
2 state increasing geothermal capacity, as follows:

3 a. a base credit amount equal to Five Hundred Dollars  
4 (\$500.00) per ton of increased geothermal capacity,  
5 plus

6 b. credit enhancements as follows:

7 (1) additional Five Hundred Dollars (\$500.00) per ton  
8 of increased geothermal capacity for projects  
9 where forty percent (40%) or more of the  
10 materials and manufactured products of the  
11 project were produced in Oklahoma, and

12 (2) additional Five Hundred Dollars (\$500.00) per ton  
13 of increased geothermal capacity for projects  
14 located on tribal land, and

15 (3) additional Five Hundred Dollars (\$500.00) per ton  
16 of increased geothermal capacity for projects  
17 located in a low-income community. For purposes  
18 of this paragraph, "low-income community" means:

19 (a) any population census tract where the  
20 poverty rate for such tract is twenty  
21 percent (20%) or greater, or

22 (b) in the case of a tract not located within a  
23 metropolitan area, the median family income  
24 for such tract does not exceed eighty

1                   percent (80%) of the statewide median  
2                   income, or

3                   (c) in the case of a tract located within a  
4                   metropolitan area, the median family income  
5                   for such tract does not exceed eighty  
6                   percent (80%) of the greater of statewide  
7                   median family income or the metropolitan  
8                   area median family income.

9           2. For qualified projects placed in service after the effective  
10   date of this act, the amount of total state tax credits utilized  
11   under the provisions of this act shall not exceed Twenty Million  
12   Dollars (\$20,000,000.00).

13           D. Any nontaxable entities, including agencies of the State of  
14   Oklahoma or political subdivisions thereof, shall be eligible to  
15   establish a transferable tax credit in the amount provided in  
16   subsection C of this section. Such tax credit shall be a property  
17   right available to a state agency or political subdivision of this  
18   state to transfer to the contractor associated with the applicable  
19   qualified geothermal project, who may subsequently utilize such tax  
20   credits, whether individual or corporate, who shall have an actual  
21   or anticipated income tax liability under Section 2355 of Title 68  
22   of the Oklahoma Statutes. These tax credit provisions are  
23   authorized as an incentive to the State of Oklahoma, its agencies  
24   and political subdivisions to encourage the expenditure of funds in

1 the development, construction, and utilization of geothermal  
2 projects as described in this act.

3 E. A taxpayer owning an interest in an investment in a  
4 qualified project shall be allowed Oklahoma Geothermal Investment  
5 Affordability Tax Credits under this section for tax years beginning  
6 on or after January 1, 2024, which tax credits shall be allocated  
7 among some or all of the partners, members, or shareholders of the  
8 taxpayer owning such interest in any manner agreed to by such  
9 partners, members, or shareholders. Such taxpayer may assign its  
10 interest in the investment.

11 F. An insurance company claiming a credit against state premium  
12 tax or retaliatory tax or any other tax imposed by Section 624 or  
13 628 of Title 36 of the Oklahoma Statutes shall not be required to  
14 pay any additional retaliatory tax under Section 628 of Title 36 of  
15 the Oklahoma Statutes as a result of claiming the credit. The  
16 credit may fully offset any retaliatory tax imposed by Section 628  
17 of Title 36 of the Oklahoma Statutes.

18 G. Any credit claimed but not used in a taxable year may be  
19 carried forward two (2) subsequent taxable years.

20 H. The owner of a qualified project eligible for the credit  
21 authorized by this section shall submit, at the time of filing the  
22 tax return with the Oklahoma Tax Commission, along with any  
23 additional information requested by the Oklahoma Tax Commission to  
24

1 determine eligibility for credits offered under the provisions of  
2 this act.

3 I. If under Section 42 of the Internal Revenue Code of 1986, as  
4 amended, a portion of any related federal geothermal energy tax  
5 credits taken on a qualified project is required to be recaptured  
6 during the first ten (10) years after a project is placed in  
7 service, the taxpayer claiming Oklahoma Geothermal Investment  
8 Affordability Tax Credits with respect to such project shall also be  
9 required to recapture a portion of such credits. The amount of  
10 Oklahoma Geothermal Investment Affordability Tax Credits subject to  
11 recapture shall be proportionally equal to the amount of federal  
12 geothermal energy tax credits subject to recapture.

13 J. The Oklahoma Tax Commission may require the filing of an  
14 application for prequalification or request additional documentation  
15 necessary to determine the accuracy and eligibility for a tax credit  
16 claimed under the provisions of this act.

17 K. The Oklahoma Tax Commission shall promulgate rules as  
18 necessary to administer the provisions of this act, including, but  
19 not limited to, implementation of an advanced allocation  
20 prequalification application process in order to administer the cap  
21 on total credits as established in paragraph 2 of subsection C of  
22 this section.

23 SECTION 2. This act shall become effective January 1, 2024."  
24

1 Passed the House of Representatives the 27th day of April, 2023.

2  
3  
4 Presiding Officer of the House of  
Representatives

5  
6 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2023.

7  
8  
9 Presiding Officer of the Senate

1 ENGROSSED SENATE  
2 BILL NO. 484

By: Paxton of the Senate

3 and

4 Boles of the House

5  
6 [ Oklahoma Geological Survey - appropriation -  
7 effective date - emergency ]

8  
9  
10 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

11 SECTION 3. There is hereby appropriated to the Oklahoma  
12 Geological Survey from any monies not otherwise appropriated from  
13 the General Revenue Fund of the State Treasury for the fiscal year  
14 ending June 30, 2024, the sum of Ten Million Dollars  
15 (\$10,000,000.00) or so much thereof as may be necessary for the  
16 purpose of purchasing new and/or updating existing seismic  
17 monitoring equipment in this state.

18 SECTION 4. This act shall become effective July 1, 2023.

19 SECTION 5. It being immediately necessary for the preservation  
20 of the public peace, health or safety, an emergency is hereby  
21 declared to exist, by reason whereof this act shall take effect and  
22 be in full force from and after its passage and approval.

23

24



1 Passed the Senate the 21st day of March, 2023.

2  
3 \_\_\_\_\_  
4 Presiding Officer of the Senate

5 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
6 2023.

7  
8 \_\_\_\_\_  
9 Presiding Officer of the House  
10 of Representatives