

combustion engine, the basis for the credit is limited to the portion of such motor vehicle which is attributable to the propulsion of the vehicle by electricity.

9. Clean Burning Fuel Vehicle Infrastructure Credit

(O.S. § 68-2357.22)

The state provides a tax credit for up to 50% of the cost of installing refueling infrastructure for clean burning fuel vehicles. These tax credits may be carried forward for up to three years. The alternative fuels eligible for the credit include compressed natural gas (CNG), liquefied natural gas (LNG), liquefied petroleum gas (LPG), methanol, and electricity.

10. Ethanol Fuel Retailer Tax Credit

(HB 1556, 2005 & O.S. § 68-500.10-1)

Beginning January 1, 2006 retailers of ethanol-blended fuel (a blend of gasoline and ethyl alcohol consisting of not more than 15% ethyl alcohol by volume) may claim a motor fuel tax credit of \$0.016 for each gallon of ethanol fuel sold in Oklahoma if 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 the state of Oklahoma that is in non-attainment with the National Ambient Air Quality Standards.

B. For Investors

1. Technology Transfer Income Tax Exemption

(68 O.S. § 2358 [C])

For more information, contact the Oklahoma Tax Commission at (405) 521-3133 or helpmaster@oktax.state.ok.us. For forms, visit www.oktax.state.ok.us.

The taxable income of any corporation is decreased for transfers of technology to qualified small businesses located in Oklahoma. The corporation transferring the technology is allowed an exemption from taxable income in the amount of the royalty payment received as a result of such transfer, provided that the exempted amount shall not exceed 10% of the amount of gross proceeds received by such corporation as a result of the technology transfer. "Gross proceeds" is defined as the total amount of consideration for the transfer, whether it is money or otherwise. This benefit lasts for 10 years from the date of the receipt of the first royalty payment accruing from such transfer.

2. Income Tax Exemption for Interest Paid on Bonds Issued by or on Behalf of Public Agencies

(68 O.S. § 2358.5)

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Interest payments received as a result of obligations issued by cities, counties, Oklahoma educational institutions, or public trusts on behalf of towns, cities, counties, or