



TAX CREDIT OVERVIEW

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WHAT IS A TAX CREDIT?

TAX CREDITS REDUCE TAX LIABILITY

- Statute specifies parameters
 - **Eligibility** – who can claim the credit, what activity/ transaction/ requirements needed to qualify
 - **Calculation** – how much your tax may be reduced by
 - **Availability** – number of years the credit may be claimed
 - **Carry-forward** – how many years to use total credit, if any
 - **Refundability** – eligible for a refund if tax liability reduced to less than zero
 - **Overall caps** – annual cap for all claims; usually prorated if exceeds cap



LIMITATIONS

REFUNDABLE / NON-REFUNDABLE

- Refundable credits may result in a payment back to the taxpayer after tax liability reduced to zero.
- Non-refundable credits may result in lost credit or amount to carry forward.
- Statutory language will specify if a credit is refundable.

CARRY FORWARD / BACK

- Unused credits may be used in other tax years, only when statute allows.
- Statutory language will specify years to carry forward or back.

CAPS

- Some credits have a total amount per taxpayer/ per year that may be authorized.
- If overall cap exceeded, the credit may be prorated per taxpayer. Tax forms specify.

3 Credit for Investment in a Clean-Burning Motor Vehicle Fuel Property

A credit is allowed for investments in qualified clean-burning motor vehicle fuel property. For credits established in tax year 2010 and thereafter, any credit allowed but not used will have a five year carryover provision. **Provide Form 567-A.**
88 OS Sec. 2357.22 and Rule 710-50-15-81

Note: The credit has an overall cap of \$30 million (\$10 million per fuel source). For tax year 2025, the full amount of the statutory credit is available.

CALCULATIONS



EXAMPLES

- Taxpayer has \$20,000 of Oklahoma income tax liability.
- Qualifies for a \$5,000 non-refundable credit.
- Taxpayer owes \$15,000.

**NON-REFUNDABLE
NO CARRY FORWARD**

- Taxpayer has \$7,000 of Oklahoma income tax liability.
- Qualifies for a \$10,000 non-refundable credit.
- Taxpayer owes \$0 and may carry-forward \$3,000 to subsequent years.

**NON-REFUNDABLE
CARRY FORWARD**

- Taxpayer has \$5,000 of Oklahoma income tax liability.
- Qualifies for a \$7,500 refundable credit.
- Taxpayer receives a \$2,500 refund.

REFUNDABLE



DIFFERENCES

CREDITS

Reduces tax liability, subject to statutory parameters.

DEDUCTIONS

Reduces amount of income or tax base subject to tax.

EXEMPTIONS

Removes income, property, transactions from tax base.

REBATE

Money paid for qualifying activity.

ADMINISTRATION



FORMS

- The 511-CR form delineates the various income tax credits.
- Total is added to a line on the 511 income tax return.
- Some credits require documentation and an additional form specific to that credit.

3 Credit for Investment in a Clean-Burning Motor Vehicle Fuel Property

A credit is allowed for investments in qualified clean-burning motor vehicle fuel property. For credits established in tax year 2010 and thereafter, any credit allowed but not used will have a five year carryover provision. **Provide Form 567-A.**
68 OS Sec. 2357.22 and Rule 710:50-15-81.

State of Oklahoma
Other Credits Form
Provide this form and supporting documents with your Oklahoma tax return.

FORM 511-CR 2025

Name as Shown on Return: _____ Social Security Number: _____
-OR-
Federal Employer Identification Number: _____

• Enter in **Column A** all unused carryover credits established in prior tax years but not used in any prior tax year.
• Enter in **Column B** all credits established this tax year. This includes credit(s) generated this tax year, credit(s) transferred to you on a filed transfer agreement (Form 572) that may be claimed this year, and credit(s) that, once established, may be claimed over multiple years and in which you are claiming the subsequent years' credit (e.g. Investment/New Jobs Credit).
• **Line 3a and 3b instructions:** From the following list, enter 1-4 (line 3a) and/or 1-5 (line 3b) to indicate the qualified clean-burning fuel property for which you are claiming a credit. 1. Compressed Natural Gas, 2. Liquefied Natural Gas, 3. Liquefied Petroleum Gas, 4. Hydrogen Fuel Cell; or 5. Electric.
Attention members of non-electing pass-through entities: Enter your share of the pass-through entity's credit on the appropriate line for the type of credit. For example: Your share of the pass-through entity's Blood Donation Credit would be entered on line 2.

See instructions for details on qualifications and required enclosures.

	A Unused Credit Carried Over from Prior Year(s)	B Credit Established During Current Tax Year	C Total Available Credit (A + B = C)
1a Oklahoma Investment/New Jobs Credit (provide Form 506)	00	1a 00	00
1b Check the box to indicate the type of credit.....	☐ Investment Credit ☐ New Jobs Credit		
2 Credit for Verified Blood Donation	Not Applicable	2 00	00
3 Credit for Investment in a Clean-Burning Motor Vehicle Fuel Property (provide Form 567-A) Enter the number of Form(s) 567-A provided with this return for 3a and 3b	Number of Form(s) 567-A 00		
3a Credit from Form 567-A, Part 1. (If completing multiple Forms 567-A, enter the total amounts from Part 1.)	00	3a 00	00
Provide type of fuel property (1-4) from list above			



EXAMPLES

CARING FOR CAREGIVERS TAX CREDIT

Example of a credit for expenses.

- Credit for 50% of eligible expenses, mileage for medical appts
- Max credit per family member is \$3,000
- Overall cap of \$1.5 million
- No carry-forward
- Not refundable
- *68 OS § 2357.801*



EXAMPLES

CREDIT FOR AEROSPACE EMPLOYEES

Example of a credit for certain qualified employment.

- \$5,000 credit for 5 years
- Qualified employee in Oklahoma in aerospace sector
- Carry-forward unused credit for 5 years
- Not refundable
- *68 OS § 2357.301*



EXAMPLES

CREDIT FOR BIOMEDICAL RESEARCH DONATION

Example of a credit for making a qualified donation.

- Credit for 50% of donations to biomedical research institutions
- Max credit: \$1,000 for single filers, \$2,000 for joint filers, \$100,000 for business entities
- \$1.5 million overall cap
- Carry-forward unused credit for 4 years
- Not refundable
- *68 OS § 2357.45*



EXAMPLES

CREDIT FOR VOLUNTEER FIREFIGHTERS

Example of a credit for certain training.

- Max credit: \$300 for single filers, \$600 for joint filers
- provide documentation of 12 hours of certain training to qualify.
- No carry-forward
- Not refundable
- *68 OS § 2358.7*



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Tax Commission