

SHORT TITLE: Revenue and taxation; providing income tax credit to employers who hire Oklahoma college graduates; codification; effective date; emergency.

STATE OF OKLAHOMA

1st Session of the 45th Legislature (1995)

SENATE BILL NO. 567

By: Wright of the Senate

and

Ferguson of the House

AS INTRODUCED

An Act relating to revenue and taxation; providing definitions; providing for a credit against income tax for certain employers for hiring certain employees; providing qualifications; providing amount of credit; providing limitations on credit; providing for recapture of credit under certain circumstances; requiring certain certification by employer; requiring Oklahoma Tax Commission to develop appropriate forms and instructions; providing for Oklahoma Tax Commission to promulgate certain rules; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.24 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Eligible employer" means a corporation, partnership or proprietorship doing business in this state; and

2. "Eligible employee" means an employee who:

a. is a resident of this state,

- b. is a new full-time-equivalent employee, and
- c. has graduated or received a degree from a four-year public college or university in this state within one (1) year previous to the date of employment.

B. For tax years beginning after December 31, 1994, there shall be allowed to an eligible employer a credit against the tax imposed by Section 2355 of this title for employing or hiring an eligible employee. The credit shall be in the amount of five percent (5%) of the gross salary, up to a maximum of Five Hundred Dollars (\$500.00), excluding any benefits, of the eligible employee for the first six (6) months of employment; provided, the employee must work for the eligible employer for at least one full year before the employer may claim the credit. The credit shall be a one-time credit for each new eligible employee of the eligible employer. Under no circumstances shall the eligible employer be allowed to claim more than one (1) credit per eligible employee. The credit shall be allowed only in the taxable year following the completion of the first full year of employment of the new employee. If the eligible employee is not employed for the required time period and the credit has been claimed, then the credit shall be recaptured.

C. The credit shall not be granted unless the eligible employer certifies to the Oklahoma Tax Commission that each employee for which a credit is claimed qualifies pursuant to the provisions of this section.

D. If the eligible employee is receiving incentive payments pursuant to the Quality Jobs Program Act, Section 3601 et seq. of Title 68 of the Oklahoma Statutes, and the salary of an eligible employee is included in gross wages for the purpose of determining the amount of such incentive payments, the eligible employer shall not be entitled to claim the credit provided for by this section.

E. The Oklahoma Tax Commission shall develop and issue appropriate forms and instructions to enable eligible employers to

claim the tax credit. The Tax Commission shall promulgate rules to facilitate the implementation of this section.

SECTION 2. This act shall become effective July 1, 1995.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

45-1-0244

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