

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

COMMITTEE SUBSTITUTE

FOR

HOUSE BILL NO. 3199

By: Kinnamon

COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; adding income tax credit for certain business; setting forth qualifications; setting forth amount of tax credit; providing guidelines and limitations; requiring certain calculations; prohibiting certain wages from being included in calculations; providing limitation on tax credit; prohibiting carry forward or backward of credit; prohibiting credit if certain credits, incentive payments, or exemptions received; requiring Oklahoma Tax Commission to promulgate certain rules; defining term; providing for codification; and providing an effective date.

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 2357.26 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. There shall be allowed a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for any employer, as defined in Section 2385.1 of Title 68 of the Oklahoma Statutes, with fewer than two hundred fifty (250) employees in this state and who increases the annual payroll of the business in this state by an amount which is at least five percent (5%) more than the previous full year's payroll and is at least Twenty Thousand Dollars (\$20,000.00). The amount of the tax credit shall be three percent (3%) of the increase in the annual payroll of the business. The amount of the increase in the annual payroll for which the credit may be taken shall not exceed Two Hundred Thousand Dollars (\$200,000.00). Any business which increases its annual Oklahoma payroll by more than One Million Dollars (\$1,000,000.00) shall not be eligible for the tax credit.

B. All payrolls of eligible businesses shall be calculated by comparing prior full calendar year payroll data to current full calendar year payroll data. In calculating payroll increases, individual annualized wages or salaries or any subsequent increase of individual annualized wages or salaries in excess of Fifty Thousand Dollars (\$50,000.00) shall not be included in the calculation.

C. In no event shall the tax credit provided by this section exceed the tax liability, if any, of the taxpayer. Any excess credit shall not be carried forward, carried back, sold, or otherwise transferred. The tax credit authorized by this section shall not be available or taken for any calendar year during which the claimant of the credit received any credit, incentive payment, or exemption as provided for in any of the following:

1. Paragraphs 14 and 15 of Section 1357 of Title 68 of the Oklahoma Statutes;

2. Paragraph 8 of Section 1359 of Title 68 of the Oklahoma Statutes;

3. Section 2357.4 of Title 68 of the Oklahoma Statutes;

4. Section 2357.7 of Title 68 of the Oklahoma Statutes;

5. Section 2-11-303 of Title 27A of the Oklahoma Statutes;

6. Section 2357.22 of Title 68 of the Oklahoma Statutes;

7. Section 2357.31 of Title 68 of the Oklahoma Statutes;

8. Section 54003 of Title 68 of the Oklahoma Statutes;

9. Section 54006 of Title 68 of the Oklahoma Statutes;

10. Section 625.1 of Title 36 of the Oklahoma Statutes;

11. Subsections C and D of Section 2357.59 of Title 68 of the Oklahoma Statutes; or

12. Quality Jobs Program Act or the Saving Quality Jobs Act.

D. The Tax Commission shall promulgate any necessary rules to implement this tax credit.

E. For purposes of this section, "payroll" means wages as defined in paragraph (e) of Section 2385.1 of Title 68 of the Oklahoma Statutes.

SECTION 2. This act shall become effective January 1, 1999.

46-2-9578

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