

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

HOUSE BILL NO. 1711

By: Leist

AS INTRODUCED

An Act relating to revenue and taxation; providing income tax credit for agricultural producers for investments in alternative agricultural commodities; providing amount of credit; providing for credit to be carried forward; providing for Oklahoma Tax Commission to promulgate certain rules and to prescribe certain forms; providing definitions; 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 as a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for direct investments by agricultural producers in specialized agricultural equipment necessary for the production and marketing of alternative agricultural commodities grown, raised, made, or manufactured in this state. The credit shall be twenty-five percent (25%) of the investment in the specialized agricultural equipment and shall be taken in the year of the investment.

B. If the credit allowed pursuant to this section exceeds the amount of state income taxes due or if there are no state income taxes due on the income of the taxpayer, the amount of credit allowed but not used in any taxable year may be carried forward as a credit against subsequent income tax liability for a period not to exceed five (5) years following the year in which the investment was originally made.

C. The Oklahoma Tax Commission shall promulgate any necessary rules to implement this credit and shall prescribe forms for purposes of claiming the credit authorized by this section.

D. As used in this section:

1. "Agricultural producer" means an individual who produces agricultural commodities in this state;

2. "Agricultural commodities" means a farm or ranch product, including but not limited to wheat, corn, soybeans, cotton, timber, cattle, hogs, sheep, horses, poultry, animals of the family bovidae, cervidae, and antilocapridae, or birds of the ratite group produced in farming or ranching operations or a product of such crop or livestock in its unmanufactured state such as ginned cotton, wool-dip, maple syrup, milk, eggs, or any other commodity listed under any Industry Group Number under Major Group 20 of Division D of the Standard Industrial Classification (SIC) Manual; and

3. "Alternative agricultural commodities" means a farm or ranch product, crop, or animal which is not standard or normal for this state or the agricultural producer, and which is not an agricultural commodity listed in paragraph 2 of this subsection.

SECTION 2. This act shall become effective January 1, 1998.

46-1-6245

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