STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

HOUSE BILL NO. 2512 By: Pope (Clay)

AS INTRODUCED

An Act relating to revenue and taxation; providing for income tax credit for certain agricultural producers; providing amount of credit; requiring certain documented proof; providing that credit cannot exceed tax liability; providing for carryforward of unused credit; 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 a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for agricultural producers producing agricultural commodities and utilizing new or modified agricultural production or marketing methods demonstrated by or acquired from an accredited agricultural college or university, adult agricultural education program provided by a secondary school in this state, or agricultural producing or farming association located in this state.

B. The credit allowed by this section shall be Five Hundred Dollars ($500.00) and shall only be allowed in the taxable year in which the new or modified agricultural production or marketing method was utilized by the agricultural producer. The agricultural producer shall be required to furnish satisfactory documented proof to the Tax Commission that the new or modified agricultural production or marketing method was obtained from an accredited agricultural college or university, adult agricultural education program provided by a secondary school in this state, or agricultural producing or farming association and that such method was utilized in the operation of the agricultural producer.

C. If the tax credit allowed pursuant to this section exceeds the amount of income taxes due or if there are no state income taxes due on the income of the taxpayer, the amount of the credit not used as an offset against income taxes of a taxable year may be carried forward as a credit against subsequent income tax liability for a period not to exceed five (5) years. In no event shall the credit exceed the income tax liability for the taxable year.

D. A husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim only one-half (1/2) of the tax credit that would have been allowed for a joint return.

E. For purposes of this section:

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

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.

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

46-2-8021 JAF