

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

HOUSE BILL NO. 2955

By: Deutschendorf

AS INTRODUCED

An Act relating to revenue and taxation; providing for deduction from income tax for certain individuals; providing amount of deduction; permitting deduction for certain number of years; setting forth qualifications for deduction; requiring Oklahoma Tax Commission to adopt and make available certain forms; providing definitions; providing for income tax deduction for certain graduates employed in this state; providing amount of deduction; providing qualifications for deduction; requiring deduction to be taken within certain time period; providing definition; 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 2358.4 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. Any individual who becomes a resident of this state on or after July 1, 1998, as a direct result of a job or becoming employed in this state shall be entitled to a deduction of Five Thousand

Dollars (\$5,000.00) from the adjusted gross income of such individual. The individual shall be entitled to the deduction in each of the first two (2) years in which the individual files a return in this state. In no event shall this deduction be allowed to be claimed for more than the first two (2) years in which the individual files a return.

B. In order to qualify for this deduction, the following criteria shall be met:

1. The individual must be a new resident of this state;
2. The job or employment must be a new direct job;
3. The job must be full-time employment;
4. The employer must be an establishment engaged in computer programming, data processing, or other computer-related manufacturing, parts assembly, or services, as defined or classified under Industry Group 737 of the Standard Industrial Classification (SIC) Manual, latest version;
5. The employer must have at least fifty full-time employees in this state, all or some of whom may be employed in new direct jobs;
6. The employer shall pay at least eighty percent (80%) of the individuals it employs in new direct jobs an annualized wage which equals or exceeds one hundred fifty percent (150%) of the per capita personal income as that percentage is determined by the Oklahoma State Data Center based on the most recent U.S. Department of Commerce data for the county in which the new direct jobs are located; and
7. The employer has a basic health benefit plan which, as determined by the Tax Commission, meets the following elements or elements substantially equivalent thereto:
 - a. not less than fifty percent (50%) of the premium shall be paid by the employer,
 - b. coverage for basic hospital care,
 - c. coverage for physician care,

- d. coverage for mental health care,
- e. coverage for substance abuse treatment,
- f. coverage for prescription drugs, and
- g. coverage for prenatal care.

The health benefit plan must be offered to employees within ninety (90) days of employment in a new direct job.

C. The Oklahoma Tax Commission shall adopt and make available the appropriate forms for individuals qualifying for this deduction.

D. As used in this section:

1. "Establishment" means any business, of any legal form, including, but not limited to, a sole proprietorship, partnership, corporation, or limited liability company;

2. "Full-time employment" means employment for twenty-five (25) hours per week or more, which has a minimum six-month duration during any twelve-month period;

3. "New resident" means an individual who has not resided in this state for a period of not less than twelve (12) months prior to becoming employed in this state; and

4. "New direct job" means full-time employment which did not exist in this state prior to the date the individual accepted the employment in this state. A job shall be deemed to exist in this state prior to the date the individual accepted the employment if the activities and functions for which the particular job exists have been ongoing at anytime within six (6) months prior to such acceptance.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2358.5 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For tax years beginning after December 31, 1998, any individual who graduates or receives a degree from a four-year public or private college or university in this state accredited by the Oklahoma State Regents for Higher Education and who is or

becomes employed in this state shall be entitled to a deduction from the adjusted gross income of such individual in the amount of Two Thousand Five Hundred Dollars (\$2,500.00).

B. In order to claim this deduction, the individual shall be employed in this state by a business establishment, of any legal form, including, but not limited to, a sole proprietorship, partnership, corporation, or limited liability company, doing business in this state. The individual shall be employed in this state in a full-time employment position for a period not less than twelve (12) months after the date of the graduation or receipt of the degree. The individual may be employed by more than one business establishment during the twelve-month period. The deduction shall be taken within two (2) tax years following the year of graduation or in which the degree was received.

C. As used in this section, "full-time employment position" means employment for twenty-five (25) hours per week or more, which has a minimum six-month duration during any twelve-month period.

SECTION 3. This act shall become effective July 1, 1998.

SECTION 4. 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.

46-2-8023

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