

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

HOUSE BILL NO. 2986

By: Settle

AS INTRODUCED

An Act relating to revenue and taxation; providing income tax credit for certain investments in pollution control property; stating property subject to exemption; specifying certain property not subject to exemption; setting forth amount of minimum investment; providing amount of credit; providing for application and permit; requiring certain information in permit application; providing for notice to Oklahoma Tax Commission; providing for letter of determination; providing for certain fee; providing for promulgation of rules; requiring Oklahoma Tax Commission to accept certain letter as certain evidence; providing for carryover of unused credit; providing exception; defining phrase; 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. For taxable years beginning after December 31, 1998, there shall be allowed a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for investments in property used wholly as a facility, device or method for the control of air, water or land pollution. A person is not entitled to the tax credit under this section solely on the basis that the person manufactures, produces or invests in a product that prevents, monitors, controls or reduces air, water or land pollution. Investments in property used for residential purposes, or for recreational or park uses, are ineligible for the credit under this section.

B. The credit provided for in this section shall not be allowed unless the investment in a facility, device or method for the control of air, water or land pollution is at least Fifty Thousand Dollars (\$50,000.00). The amount of the credit shall be ten percent (10%) of the investment in the pollution control facility, device or method.

C. In applying for the tax credit under this section, a person seeking the credit shall present in a permit application or permit income tax credit request to the Executive Director of the Department of Environmental Quality information detailing:

1. The anticipated environmental benefits from the installation of the facility, device or method for the control of air, water or land pollution;

2. The estimated cost of the pollution control facility, device or method; and

3. The purpose of the installation of such facility, device or method and the proportion of the installation that is pollution control property.

D. Following submission of the information required by subsection C of this section, the Executive Director of the Department of Environmental Quality shall determine if the facility, device or method is used wholly as a facility, device or method for

the control of air, water or land pollution. As soon as practicable, the Executive Director shall send notice by regular mail to the Oklahoma Tax Commission that the person has applied for a determination under this section. If the Executive Director determines that the facility, device or method is used wholly to control pollution, the Executive Director shall issue a letter to the person stating that determination and the proportion of the installation that is pollution control property.

E. The Department of Environmental Quality may charge a person seeking a determination that property is pollution control property an additional fee not to exceed its administrative costs for processing the information, making the determination and issuing the letter required by this section. The Department of Environmental Quality may adopt rules to implement this section.

F. A person seeking the tax credit under this section shall provide to the Oklahoma Tax Commission a copy of the letter issued by the Executive Director of the Department of Environmental Quality under subsection D of this section. The Oklahoma Tax Commission shall accept the copy of the letter from the Executive Director as conclusive evidence that the facility, device or method is used wholly as pollution control property.

G. Any credits allowed but not used in any taxable year may be carried over in order to each of the four (4) years following the year of qualification.

H. This section does not apply to a facility, device or method for the control of air, water or land pollution that is subject to any other tax exemptions under the laws of this state.

I. As used in this section, "facility, device or method for the control of air, water or land pollution" means land that is acquired after January 1, 1999, or any structure, building, installation, excavation, machinery, equipment or device and any attachment or addition to or reconstruction, replacement or improvement of that

property, that is used, constructed, acquired or installed wholly or partly to meet or exceed rules or regulations adopted by any environmental protection agency of the United States, this state or a political subdivision of this state for the prevention, monitoring, control or reduction of air, water or land pollution. This definition and this section shall not apply to a motor vehicle.

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

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