

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

HOUSE BILL NO. 3199

By: Kinnamon

AS INTRODUCED

An Act relating to revenue and taxation; providing income tax credit for certain business; providing qualifications; setting forth amount of tax credit; providing guidelines and limitations; providing for 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; providing definition; 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, who employs one or more individuals in this state and who increases the annual payroll in this state of the business as provided in this

section. The amount of the tax credit shall be a percentage of the increase in the annual payroll of the business as follows:

1. If the increase in the annual payroll is at least Twenty Thousand Dollars (\$20,000.00), but not more than Two Hundred Thousand Dollars (\$200,000.00), then the credit shall be ten percent (10%) of the actual increase in the annual payroll;

2. If the increase in the annual payroll is Two Hundred Thousand One Dollars (\$200,001.00), but not more than Four Hundred Thousand Dollars (\$400,000.00), then the credit shall be eleven percent (11%) of the actual increase in the annual payroll;

3. If the increase in the annual payroll is Four Hundred Thousand One Dollars (\$400,001.00), but not more than Six Hundred Thousand Dollars (\$600,000.00), then the credit shall be twelve percent (12%) of the actual increase in the annual payroll;

4. If the increase in the annual payroll is Six Hundred Thousand One Dollars (\$600,001.00), but not more than Eight Hundred Thousand Dollars (\$800,000.00), then the credit shall be thirteen percent (13%) of the actual increase in the annual payroll; and

5. If the increase in the annual payroll is Eight Hundred Thousand One Dollars (\$800,001.00), but not more than One Million Dollars (\$1,000,000.00), then the credit shall be fourteen percent (14%) of the actual increase in the annual payroll.

Any increase in the annual payroll of the business over 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 calendar year payroll data to current 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.

46-2-8983

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