

SHORT TITLE: Revenue and taxation; income tax credit for hiring recent Oklahoma graduates; codification; effective date.

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

SENATE BILL NO. 346

By: Martin

AS INTRODUCED

An Act relating to revenue and taxation; providing definitions; providing for a credit against income tax for certain employers for hiring certain employees; defining terms; providing qualifications; providing amount of credit; providing limitations on credit; providing for recapture of credit under certain circumstances; requiring certain certification by employer; requiring Oklahoma Tax Commission to develop appropriate forms and instructions; providing for Oklahoma Tax Commission to promulgate certain rules; 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. As used in this section:

1. "Eligible employer" means a corporation, partnership or proprietorship doing business in this state; and

2. "Eligible employee" means an employee who:

a. is a resident of this state,

b. is a new full-time-equivalent employee,

- c. has graduated or received a degree from a four-year public college or university in this state within one (1) year previous to the date of employment, and
- d. has worked at least one (1) full year for the eligible employer.

B. For tax years beginning after December 31, 1997, there shall be allowed to an eligible employer a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for employing or hiring an eligible employee. The credit shall be in the amount of ten percent (10%) of the gross salary, excluding any benefits, of the eligible employee. The credit shall be a one-time credit for each new eligible employee of the eligible employer. Under no circumstances shall the eligible employer be allowed to claim more than one credit per eligible employee. The credit shall be allowed only in the taxable year following the completion of the first full year of employment of the new employee. The eligible employee shall be employed a minimum of three (3) consecutive years by the eligible employer in order to retain the tax credit. If the eligible employee is not employed for the required time period and the credit has been claimed, then the credit shall be recaptured.

C. The credit shall not be granted unless the eligible employer certifies to the Oklahoma Tax Commission that each employee for which a credit is claimed qualifies pursuant to the provisions of this section.

D. The Oklahoma Tax Commission shall develop and issue appropriate forms and instructions to enable eligible employers to claim the tax credit. The Tax Commission shall promulgate rules to facilitate the implementation of this section.

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

