

ENGROSSED HOUSE
BILL NO. 1254

By: Bonny, Claunch, Toure,
Liotta, Bengel, Glover,
Frame and Pope (Clay) of
the House

and

Maddox of the Senate

(revenue and taxation - credit against certain in
lieu tax levied upon banking - carryover period -
codification -

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 2370.1 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 2370 of Title 68 of the Oklahoma Statutes for any state
banking association, national banking association and credit union
organized under the laws of this state for the amount of the
guaranty fee paid by the banking association or credit union to the
United States Small Business Administration pursuant to the "7(a)"
loan guaranty program.

B. The credit authorized by this section may be claimed for
guaranty fees paid on or after December 31, 1999.

C. No credit may be claimed pursuant to this section if,
pursuant to the agreement between the banking association or credit
union and the entity to which proceeds are made available, the
banking association or credit union adds the amount of the SBA 7(a)
loan guaranty fee to the amount financed by the borrower or in any
other way recovers the guaranty fee amount from the borrower.

D. The credit authorized by this section may be claimed and if not fully used in the initial year for which the credit is claimed may be carried over, in order, to each of the five (5) succeeding taxable years. The credit authorized by this section may not be used to reduce the tax liability of the credit claimant below zero (0).

E. The Oklahoma Tax Commission shall prepare a report regarding the amount of tax credits claimed as authorized by this section. The report shall be submitted to the Speaker of the House of Representatives and to the President Pro Tempore of the Senate not later than March 31 of each year.

SECTION 2. This act shall become effective January 1, 2000.

Passed the House of Representatives the 22nd day of February, 1999.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 1999.

President of the Senate