ENGROSSED HOUSE
BILL NO. 2116

By: Fields, Adair and Easley of the House

and

Littlefield of the Senate

(revenue and taxation - income tax credit for purchase of poultry litter - amending 68 O.S., Sections 2905 and 2906 - 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 2357.34 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For taxable years beginning after December 31, 2000, there shall be allowed a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for the purchase of poultry litter. The credit shall be available to the purchaser of the poultry litter and shall equal Five Dollars ($5.00) per ton purchased. In order to qualify for this credit:

1. The poultry litter shall be purchased from a commercial poultry operation located within an environmentally sensitive and nutrient-limited watershed area as defined by the Oklahoma Water Resources Board; and

2. The poultry litter shall be used or spread in accordance with any rules promulgated by the Oklahoma Department of Agriculture and shall be used or spread in a watershed that is not

environmentally sensitive and nutrient-limited as defined by the Oklahoma Water Resources Board.

B. The credit allowed by this section shall be available to the taxpayer in the year in which the poultry litter was purchased. If the credit exceeds the amount of income taxes due or if there are no state income taxes due on the income of the taxpayer, the amount of the credit not used as an offset against the income taxes for a year may be carried forward as a credit against subsequent income tax liability for a period not to exceed five (5) years.

SECTION 2. AMENDATORY 68 O.S. 1991, Section 2905, as amended by Section 3, Chapter 323, O.S.L. 1996 (68 O.S. Supp. 1999, Section 2905), is amended to read as follows:

Section 2905. The provisions of Sections 2904 through 2911 of this title shall apply only to persons sixty-five (65) years of age or older or to any totally disabled person, who is head of a household, was a resident of and domiciled in this state during the entire preceding calendar year, and whose gross household income does not exceed the amount of ~~Twelve Thousand Dollars ($12,000.00)~~ Fourteen Thousand Dollars ($14,000.00) for any calendar year. The provisions of these sections shall be administered by the Oklahoma Tax Commission, which shall devise and furnish appropriate forms for claims, reports of household income, proof of property taxes paid, and such other forms as may be deemed necessary to support claims made pursuant to said sections.

SECTION 3. AMENDATORY 68 O.S. 1991, Section 2906, as amended by Section 4, Chapter 323, O.S.L. 1996 (68 O.S. Supp. 1999, Section 2906), is amended to read as follows:

Section 2906. Any person sixty-five (65) years of age or older or any totally disabled person, who is the head of a household, a resident of and domiciled in this state during the entire preceding calendar year, and whose gross household income for such year does not exceed ~~Twelve Thousand Dollars ($12,000.00)~~ Fourteen Thousand

Dollars ($14,000.00) may file a claim for property tax relief on the amount of property taxes paid on the household occupied by such person during the preceding calendar year. Each head of household shall be allowed to file only one claim per year.

SECTION 4. This act shall become effective January 1, 2001.

Passed the House of Representatives the 6th day of March, 2000.

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Speaker of the House of Representatives

Passed the Senate the ____ day of _____, 2000.

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President of the Senate