

ENGROSSED SENATE
BILL NO. 719

By: Capps of the Senate
and
Bonny of the House

[revenue and taxation - commercial space industries in
this state -

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 2357.13 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For taxable years beginning after December 31, 1999, there shall be allowed a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for investments in qualifying projects, the purpose of which is to encourage the development of commercial space industries in this state.

B. As used in this section:

1. "Commencement of operations" means the beginning of active operations by a qualifying business of the principal function for which a qualifying project was constructed;

2. "Cumulative capital investment" means the total capital investment in land, buildings, and equipment made in connection with a qualifying project during the period from the beginning of construction of the project to the commencement of operations;

3. "Eligible capital costs" means all expenses incurred by a qualifying business in connection with the acquisition, construction, installation, and equipping of a qualifying project

1 during the period from the beginning of construction of the project
2 to the commencement of operations, including, but not limited to:

- 3 a. costs of acquiring, constructing, installing,
4 equipping, and financing a qualifying project,
5 including all obligations incurred for labor and
6 obligations to contractors, subcontractors, builders,
7 and materialmen,
- 8 b. costs of acquiring land or rights to land and any cost
9 incidental thereto,
- 10 c. costs of architectural and engineering services,
11 including, but not limited to, test borings, surveys,
12 estimates, plans and specifications, preliminary
13 investigations, environmental mitigation, and
14 supervision of construction, as well as the performance
15 of all duties required by or consequent to the
16 acquisition, construction, installation, and equipping
17 of a qualifying project, and
- 18 d. costs associated with the installation of fixtures and
19 equipment, surveys, site tests and inspections,
20 subsurface site work and excavation, removal of
21 structures, roadways, and other surface obstructions,
22 filling, grading, paving, and providing for drainage,
23 storm water retention, and installation of utilities,
24 and offsite construction of utility extensions to the
25 boundaries of the property.

26 "Eligible capital costs" shall not include the cost of any
27 property previously owned or leased by the qualifying business;

28 4. "Jobs" means full-time-equivalent positions, as such term is
29 consistent with terms used by Oklahoma Employment Security
30 Commission and the United States Department of Labor for purposes of
31 unemployment tax administration and employment estimation, resulting
32 directly from a project in this state. Such term does not include

1 temporary construction jobs involved in the construction of the
2 project facility;

3 5. "Qualifying business" means a business which establishes a
4 qualifying project in this state and which is certified by the
5 Oklahoma Tax Commission to receive tax credits pursuant to the
6 provisions of this section; and

7 6. "Qualifying project" means a new or expanding facility in
8 this state which creates at least one hundred (100) new jobs in this
9 state and is engaged in an industry which the Oklahoma Space
10 Industry Development Authority is authorized to promote.

11 C. The credit provided for in this section shall be in the
12 amount of five percent (5%) of the eligible capital costs generated
13 by a qualifying project. In order to qualify to receive the credit,
14 application shall be made to the Oklahoma Tax Commission, which
15 shall certify the amount of eligible capital costs generated by a
16 qualifying project and the maximum amount of the tax credit to which
17 the taxpayer will be entitled. The credit shall be granted only
18 against the tax liability upon income generated by or arising out of
19 the qualifying project and shall not exceed the following
20 percentages of the corporate income tax liability upon income
21 generated by or arising out of a qualifying project for any tax year
22 in which a credit may be claimed:

23 1. One hundred percent (100%) for a qualifying project which
24 results in a cumulative capital investment of at least One Hundred
25 Million Dollars (\$100,000,000.00);

26 2. Seventy-five percent (75%) for a qualifying project which
27 results in a cumulative capital investment of at least Fifty Million
28 Dollars (\$50,000,000.00), but not exceeding One Hundred Million
29 Dollars (\$100,000,000.00); and

30 3. Fifty percent (50%) for a qualifying project which results
31 in a cumulative capital investment of at least Twenty-five Million
32

1 Dollars (\$25,000,000.00), but not exceeding Fifty Million Dollars
2 (\$50,000,000.00).

3 A qualifying project which results in a cumulative capital
4 investment of less than Twenty-five Million Dollars (\$25,000,000.00)
5 shall not be eligible for the credit. No credit may be claimed for
6 investments made prior to November 1, 1999.

7 The amount of any credit allowed but not used in any tax year
8 may be carried over in order to each of the four (4) years following
9 the year of qualification subject to the limitations provided in
10 this subsection. In no event shall any credit granted pursuant to
11 the provisions of this section be transferable or refundable.

12 SECTION 2. This act shall become effective November 1, 1999.

13 Passed the Senate the 16th day of February, 1999.

14

15

16 _____
President of the Senate

17

18 Passed the House of Representatives the ____ day of _____ ,
19 1999.

20

21

22 _____
Speaker of the House of
23 Representatives

24

25

26

27

28

29

30

31

32