

ENROLLED HOUSE
BILL NO. 1254

By: Bonny, Claunch, Toure,
Liotta, Bengel, Glover,
Frame, Pope (Clay), Covey,
Easley, Gilbert, Hiett,
Jones, Maddux, Piatt, Pope
(Tim), Reese, Roggow,
Turner and Winchester of
the House

and

Maddox of the Senate

An Act relating to revenue and taxation; providing for credit against certain in lieu tax levied upon banking or other financial institutions; prescribing amount of credit; prescribing method for computing credit; prohibiting credit based upon certain agreements between financial institution and eligible borrower; providing for carryover period; prohibiting use of credit to reduce tax liability below certain amount; requiring report; 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 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 January 1, 2000.

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 20th day of May, 1999.

Speaker of the House of
Representatives

Passed the Senate the 20th day of May, 1999.

President of the Senate