STATE OF OKLAHOMA

1st Session of the 47th Legislature (1999)

HOUSE BILL NO.1230 By: Rice

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 1991, Section 2357.11, as last amended by Section 4, Chapter 360, O.S.L. 1996 (68 O.S. Supp. 1998, Section 2357.11), which relates to income tax credit for use of coal; extending date of credit; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 68 O.S. 1991, Section 2357.11, as last amended by Section 4, Chapter 360, O.S.L. 1996 (68 O.S. Supp. 1998, Section 2357.11), is amended to read as follows:

Section 2357.11 A. For tax years beginning on or after January 1, 1993, and ending on or before December 31, ~~1999~~ 2001, there shall be allowed a credit against the tax imposed by Section 1803 or Section 2355 of this title for every corporation in this state furnishing water, heat, light or power to the state or its citizens, or for every corporation in this state burning coal to generate heat, light or power for use in manufacturing operations located in this state. The credit shall be in the amount of One Dollar ($1.00) per ton for each ton of Oklahoma-mined coal purchased by such corporation. Except as otherwise provided by subsection D of this section, this credit shall be prorated equally against the corporation's estimated payments for the tax year in which the coal was purchased.

B. For tax years beginning on or after January 1, 1995, and ending on or before December 31, ~~1999~~ 2001, there shall be allowed,

in addition to the credit allowed pursuant to subsection A of this section, a credit against the tax imposed by Section 1803 or Section 2355 of this title for every corporation in this state furnishing water, heat, light or power to the state or its citizens, or for every corporation in this state burning coal to generate heat, light or power for use in manufacturing operations located in this state. The additional credit shall be in the amount of One Dollar ($1.00) per ton for each ton of Oklahoma-mined coal purchased by such corporation.

C. For tax years beginning on or after January 1, 1997, and ending on or before December 31, ~~1999~~ 2001, there shall be allowed, in addition to the credits allowed pursuant to subsections A and B of this section, a credit against the tax imposed by Section 1803 or Section 2355 of this title for every corporation in this state which:

1. Furnishes water, heat, light or power to the state or its citizens, or burns coal to generate heat, light or power for use in manufacturing operations located in this state; and

2. Purchases at least seven hundred fifty thousand (750,000) tons of Oklahoma-mined coal in the tax year.

The additional credit allowed pursuant to this subsection shall be in the amount of Three Dollars ($3.00) per ton for each ton of Oklahoma-mined coal purchased by such corporation. The additional credit allowed pursuant to this subsection allowed but not used shall be freely transferable by written agreement to subsequent transferees at any time during the five (5) years following the year of qualification. An eligible transferee shall be any taxpayer subject to the tax imposed by Section 1803 or Section 2355 of this title. The corporation originally allowed the credit and the subsequent transferee shall jointly file a copy of the written credit transfer agreement with the Oklahoma Tax Commission within thirty (30) days of the transfer. The written agreement shall

contain the name, address and taxpayer identification number of the parties to the transfer, the amount of credit being transferred, the year the credit was originally allowed to the transferring corporation and the tax year or years for which the credit may be claimed. The Tax Commission may promulgate rules to permit verification of the validity and timeliness of a tax credit claimed upon a tax return pursuant to this subsection but shall not promulgate any rules which unduly restrict or hinder the transfers of such tax credit. The tax credit allowed by this subsection, upon election of the taxpayer, shall be treated and may be claimed as a payment of tax, a prepayment of tax or a payment of estimated tax for purposes of Section 1803 or Section 2355 of this title.

D. Any credits allowed but not used in any tax year may be carried over in order to each of the five (5) years following the year of qualification.

SECTION 2. This act shall become effective July 1, 1999.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

47-1-5260 ARE 6/11/15