

STATE OF OKLAHOMA

1st Session of the 47th Legislature (1999)

HOUSE BILL NO. 1256

By: Braddock

AS INTRODUCED

An Act relating to revenue and taxation; creating income tax credit; authorizing income tax credit for expenditure related to certain guaranty fee; requiring payment based upon participation in certain Farm Service Agency program; limiting credit to certain income; authorizing Oklahoma Tax Commission to promulgate certain rules; permitting taxpayer to carry forward unused credit for certain time period; restricting claimants eligible to claim credit; defining terms; 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 2357.28 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For taxable years beginning after December 31, 1999, every agricultural producer operating within this state shall be entitled to claim as a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes, subject to the limitations provided by subsection B of this section, any amount paid to the Farm Service Agency of the United States Department of Agriculture as a guaranty fee pursuant to the obtaining of financing guaranteed by the Farm Service Agency.

B. The credit authorized by this section shall only be claimed against the tax liability resulting from income generated by the agricultural producer. If an income tax return upon which this credit is claimed includes taxable income from sources other than the production of agricultural commodities, the credit shall only be allowed to be claimed upon a percentage of the income tax liability which does not exceed the percentage of income generated by the

production of agricultural commodities as compared to the total Oklahoma adjusted gross income shown on the return. The Oklahoma Tax Commission shall promulgate rules and prescribe forms to implement the provisions of this section.

C. If the credit authorized by this section exceeds the amount of income taxes due or if there are no state income taxes due on the income of the taxpayer as computed pursuant to the provisions of subsection B of this section, the amount of the credit not used may be carried forward as a credit against subsequent income tax liability for a period not to exceed five (5) years. The credit shall be claimable only by the agricultural producer which is the primary obligor in the financing transaction and which actually paid the guaranty fee.

D. As used in this section:

1. "Agricultural producer" means an individual who produces agricultural commodities in this state; and

2. "Agricultural commodities" means a farm or ranch product, including but not limited to, wheat, corn, soybeans, cotton, timber, cattle, hogs, sheep, horses, poultry, animals of the families bovidae, cervidae and antilocapridae or birds of the ratite group produced in farming or ranching operations or a product of such crop or livestock in its unmanufactured state such as ginned cotton, wool-dip, maple syrup, milk and eggs, or any other commodity listed under any Industry Group Number under Major Group 20 of Division D of the Standard Industrial Classification (SIC) Manual.

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

47-1-5540 JAF 6/11/15