

SB 1324

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

THE STATE SENATE
Monday, February 28, 2000

Senate Bill No. 1324
As Amended

SENATE BILL NO. 1324 - By: FISHER, SNYDER and JOHNSON of the Senate and KINNAMON of the House.

[revenue and taxation - Small Business Capital Formation Incentive Act - effective date - emergency]

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

SECTION 1. AMENDATORY Section 3, Chapter 167, O.S.L. 1997, as amended by Section 3, Chapter 226, O.S.L. 1998 (68 O.S. Supp. 1999, Section 2357.62), is amended to read as follows:

Section 2357.62 A. For taxable years beginning after December 31, 1997, and before January 1, 2005, there shall be allowed a credit against the tax imposed by Section 2355 or Section 2370 of this title for qualified investment in qualified small business capital companies.

B. The credit provided for in subsection A of this section shall be twenty percent (20%) of the cash amount invested in qualified small business capital companies and may only be claimed for a taxable year during which the qualified small business capital company invests funds in an Oklahoma small business venture and the credit shall be allowed for the amount of funds invested in an Oklahoma small business venture. If the tax credit exceeds the

1 amount of taxes due or if there are no state taxes due of the
2 taxpayer, the amount of the claim not used as an offset against the
3 taxes of a taxable year may be carried forward for a period not to
4 exceed ten (10) taxable years.

5 C. No taxpayer may claim the credit provided for in this
6 section for investments in qualified small business capital
7 companies made prior to January 1, 1998.

8 D. No taxpayer may claim the credit provided for in this
9 section if the capital provided by a qualified small business
10 capital company is used by an Oklahoma small business venture for
11 the acquisition of any other legal entity.

12 E. No financial lending institution shall be eligible to claim
13 the credit provided for in this section except with respect to
14 amounts invested in a qualified small business capital company in
15 which the financial lending institution is a shareholder or partner.

16 SECTION 2. AMENDATORY Section 4, Chapter 167, O.S.L.
17 1997, as amended by Section 4, Chapter 226, O.S.L. 1998 (68 O.S.
18 Supp. 1999, Section 2357.63), is amended to read as follows:

19 Section 2357.63 A. For taxable years beginning after December
20 31, 1997, and before January 1, 2005, there shall be allowed a
21 credit against the tax imposed by Section 2355 or Section 2370 of
22 this title for qualified investment made in Oklahoma small business

1 ventures in conjunction with investment in such ventures made by a
2 qualified small business capital company.

3 B. The credit provided for in this section shall be twenty
4 percent (20%) of the cash amount of qualified investment made in
5 Oklahoma small business ventures in conjunction with investment in
6 such ventures made by a qualified small business capital company and
7 shall be allowed for a taxable year during which the investment is
8 made in an Oklahoma small business venture. If the tax credit
9 allowed pursuant to subsection A of this section exceeds the amount
10 of taxes due or if there are no state taxes due of the taxpayer, the
11 amount of the claim not used as an offset against the taxes of a
12 taxable year may be carried forward for a period not to exceed ten
13 (10) taxable years. To qualify for the credit authorized by this
14 section, an investment shall be:

15 1. Made by a shareholder or partner of a qualified small
16 business capital company that has invested funds in an Oklahoma
17 small business venture;

18 2. Invested in the purchase of equity or near-equity in an
19 Oklahoma small business venture;

20 3. Made under the same terms and conditions as the investment
21 made by the qualified small business capital company; and

22 4. Limited to the lesser of:

1 a. two hundred percent (200%) of any investment by the
2 taxpayer in the qualified small business capital
3 company, or

4 b. two hundred percent (200%) of the investment made by
5 the qualified small business capital company in the
6 Oklahoma small business venture.

7 C. No taxpayer may claim the credit provided for in this
8 section for investment made prior to January 1, 1998.

9 SECTION 3. This act shall become effective July 1, 2000.

10 SECTION 4. It being immediately necessary for the preservation
11 of the public peace, health and safety, an emergency is hereby
12 declared to exist, by reason whereof this act shall take effect and
13 be in full force from and after its passage and approval.

14 COMMITTEE REPORT BY: COMMITTEE ON SMALL BUSINESS, dated 2-24-00 - DO
15 PASS, As Amended and Coauthored.