

SB 391

THE STATE SENATE  
Tuesday, February 23, 1999

Senate Bill No. 391  
As Amended

SENATE BILL NO. 391 - By: EASLEY of the Senate and RICE of the House.

[ revenue and taxation - tax credits - effective date ]

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~~ December 31, 2002, 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.

1           B. For tax years beginning on or after January 1, 1995, and  
2 ending on or before ~~December 31, 1999~~ December 31, 2002, there shall  
3 be allowed, in addition to the credit allowed pursuant to subsection  
4 A of this section, a credit against the tax imposed by Section 1803  
5 or Section 2355 of this title for every corporation in this state  
6 furnishing water, heat, light or power to the state or its citizens,  
7 or for every corporation in this state burning coal to generate  
8 heat, light or power for use in manufacturing operations located in  
9 this state. The additional credit shall be in the amount of One  
10 Dollar (\$1.00) per ton for each ton of Oklahoma-mined coal purchased  
11 by such corporation.

12           C. For tax years beginning on or after January 1, 1997, and  
13 ending on or before ~~December 31, 1999~~ December 31, 2002, there shall  
14 be allowed, in addition to the credits allowed pursuant to  
15 subsections A and B of this section, a credit against the tax  
16 imposed by Section 1803 or Section 2355 of this title for every  
17 corporation in this state which:

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

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

1 The additional credit allowed pursuant to this subsection shall be  
2 in the amount of Three Dollars (\$3.00) per ton for each ton of  
3 Oklahoma-mined coal purchased by such corporation. The additional  
4 credit allowed pursuant to this subsection allowed but not used  
5 shall be freely transferable by written agreement to subsequent  
6 transferees at any time during the five (5) years following the year  
7 of qualification. An eligible transferee shall be any taxpayer  
8 subject to the tax imposed by Section 1803 or Section 2355 of this  
9 title. The corporation originally allowed the credit and the  
10 subsequent transferee shall jointly file a copy of the written  
11 credit transfer agreement with the Oklahoma Tax Commission within  
12 thirty (30) days of the transfer. The written agreement shall  
13 contain the name, address and taxpayer identification number of the  
14 parties to the transfer, the amount of credit being transferred, the  
15 year the credit was originally allowed to the transferring  
16 corporation and the tax year or years for which the credit may be  
17 claimed. The Tax Commission may promulgate rules to permit  
18 verification of the validity and timeliness of a tax credit claimed  
19 upon a tax return pursuant to this subsection but shall not  
20 promulgate any rules which unduly restrict or hinder the transfers  
21 of such tax credit. The tax credit allowed by this subsection, upon  
22 election of the taxpayer, shall be treated and may be claimed as a

1 payment of tax, a prepayment of tax or a payment of estimated tax  
2 for purposes of Section 1803 or Section 2355 of this title.

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

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

7 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-16-99 - DO PASS,  
8 As Amended and Coauthored.