

STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

HOUSE BILL NO. 1893_____

By: Pope (Clay)

AS INTRODUCED

An Act relating to revenue and taxation; creating income tax credit for certain agricultural producers; defining term; setting forth amount of credit; providing for calculation of credit; requiring certain commodity levels to be determined by certain agency; setting forth certain commodity levels; authorizing refund of unused credit; requiring Oklahoma Tax Commission to promulgate rules; 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 2357.34 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For taxable years beginning after December 31, 2000, there shall be allowed a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for Oklahoma agricultural producers when the average yearly agricultural commodity prices as determined by the Farm Service Agency of the United States Department of Agriculture drop below the levels set forth in this section. As used in this section, "agricultural producer" means any person who produces in this state the agricultural commodities set forth in subsection C of this section.

B. The credit allowed by this section shall be twenty-five percent (25%) of the ad valorem tax paid on the property used by the Oklahoma agricultural producer for growing the agricultural commodity for which the price drops below the level set forth in this section. The property used to calculate the percentage of ad

valorem tax paid and used to calculate the credit allowed by this section shall not include any property used for growing or producing agricultural commodities for which the price is not below the levels set forth in this section.

C. If the average yearly price, as determined by the Farm Service Agency of the United States Department of Agriculture, of the following agricultural commodities drops below the following price levels, then the Oklahoma agricultural producer shall be eligible for the credit provided by this section:

1. Live cattle - \$55.00 per one hundred weight;
2. Hogs - \$35.00 per one hundred weight;
3. Milk - \$12.80 per one hundred weight;
4. Wheat - \$2.80 per bushel;
5. Soybeans - \$5.50 per bushel;
6. Sorghum - \$3.80 per one hundred weight;
7. Peanuts - \$0.33 per pound;
8. Corn - \$2.00 per bushel;
9. Cotton - \$0.60 per pound;
10. Alfalfa hay - \$90.00 per ton; and
11. All other hay - \$70.00 per ton.

D. If the credit allowed pursuant to this section exceeds the amount of state income taxes due or if there are no state income taxes due on the income of the taxpayer, the unused credit shall be refunded to the agricultural producer.

E. The Oklahoma Tax Commission shall promulgate any necessary rules to implement the provisions of this section.

SECTION 2. This act shall become effective January 1, 2001.

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