STATE OF OKLAHOMA

1st Session of the 47th Legislature (1999)

SENATE BILL NO. 49 By: Wilcoxson

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 1991, Section 2357, as last amended by Section 22, Chapter 294, O.S.L. 1997 (68 O.S. Supp. 1997, Section 2357), which relates to credits against income tax; providing for income tax credit for certified teachers for amounts paid for certain tuition and examination fees; providing limitations; deleting obsolete language; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 1991, Section 2357, as last amended by Section 22, Chapter 294, O.S.L. 1997 (68 O.S. Supp. 1998, Section 2357), is amended to read as follows:

Section 2357. A. The withheld taxes and estimated taxes paid shall be allowed as credits as provided by law.

B. 1. There shall be allowed as a credit against the tax imposed by Section 2355 of this title the amount of tax paid another state by a resident individual, as defined in paragraph 4 of Section 2353 of this title, upon income received as compensation for personal services in such other state; provided, such credit shall not be allowed with respect to any income specified in Section 114 of Title 4 of the United States Code, 4 U.S.C., Section 114, upon which a state is prohibited from imposing an income tax. The credit shall not exceed such proportion of the tax payable under Section 2355 of this title as the compensation for personal services subject to tax in the other state and also taxable under Section 2355 of this title bears to the Oklahoma adjusted gross income as defined in paragraph 13 of Section 2353 of this title.

2. For tax years beginning after December 31, 1975, there shall be allowed to a resident individual or part-year resident individual or nonresident individual member of the Armed Forces as a credit against the tax imposed by Section 2355 of this title twenty percent (20%) of the credit for child care expenses allowed under the Internal Revenue Code of the United States. The credit shall not exceed the tax imposed by Section 2355 of this title. The maximum child care credit allowable on the Oklahoma income tax return shall be prorated on the ratio that Oklahoma adjusted gross income bears to the federal adjusted gross income.

C. 1. Every taxpayer who operates a manufacturing establishment in the state shall be allowed a direct credit against income taxes owed by such taxpayer to the state, the amount of which credit shall be proportioned to the amount of gas used or consumed in Oklahoma by such taxpayer in the operation of a manufacturing establishment, at a rate of three (3) mills per thousand (1,000) cubic feet of gas used or consumed after May 1, 1971, and during each taxable year of such taxpayer provided that the credit allowed herein shall not apply to the first twenty-five thousand (25,000) MCF of gas used or gas used to generate electricity or consumed after May 1, 1971, and during each taxable year of such taxpayer.

2. As used in this subsection:

a. "manufacturing establishment" means a plant or establishment which engages in the business of working raw materials into wares suitable for use or which gives new shapes, new qualities or new combinations to matter which has already gone through some artificial process,

b. "gas used or consumed" shall include all natural or casinghead gas used in the operation of the manufacturing establishment for whatever purposes, but shall not include the following:

(1) gas which, after being severed from the earth, is subsequently injected into a formation in the state for the purpose of storing, recycling, repressuring or pressure maintenance,

(2) gas vented or flared directly into the atmosphere,

(3) gas used for fuel in connection with the operation and development for or production of oil or gas in the field where produced, and

(4) gas, any part of which is resold by the manufacturing establishment, except as to that part and quantity of the gas which is actually used by the establishment and not resold, and

c. "one thousand (1,000) cubic feet of gas" (MCF) means that quantity of gas which, measured at a pressure of fifteen and twenty-five thousandths (15.025) pounds per square inch absolute and at a temperature of sixty-nine (69) degrees Fahrenheit, would have the volume of one thousand (1,000) cubic feet.

D. No additions to tax shall be made in Oklahoma income tax returns by reason of the recapture or restoration of credits under the Internal Revenue Code, and no other credits against tax shall be allowed in Oklahoma income tax returns except ~~as follows:~~

~~1. Those~~ those credits provided in this section~~; and~~

~~2. Those credits authorized by Sections 921 through 925 of Title 82 of the Oklahoma Statutes, or Sections 2001 through 2008 of Title 63 of the Oklahoma Statutes, which have been, or may hereafter be, certified pursuant to applications therefor made on or before March 22, 1971. Provided, the total amount of the credits referred to in this subparagraph to be taken by the taxpayer shall not exceed the certified net investment cost of the facilities or processes to which such credits pertain, reduced by the greater of:~~

~~a. the reduction in federal income tax of taxpayer as the result of deducting depreciation on such facilities or processes, or deducting nondepreciable costs for which credit has been so certified, or~~

~~b. the increase in the amount of Oklahoma income tax that would result if taxable income were increased by the amount deducted as set forth in subparagraph a of this paragraph.~~

~~And, provided further, that, after such credits have been exhausted, taxpayer shall each year thereafter adjust taxable income by adding any depreciation taken on such facilities or processes, or any nondepreciable costs having been included in the net investment cost allowed as credit, and which depreciation or costs have been allowed as a deduction in arriving at federal taxable income for such year~~.

E. For tax years beginning after December 31, 1999, there shall be allowed as a credit against the tax imposed by Section 2355 of this title any amount paid by a classroom teacher, employed in a public or private elementary or secondary school in this state and certified pursuant to the laws of this state, for:

1. Tuition paid to a four-year public or private college or university in this state accredited by the Oklahoma State Regents for Higher Education for:

a. courses satisfactorily completed in pursuit of a master's degree from the college or university in an academic course of study other than education, but in a field that the teacher would reasonably be expected to use in the classroom, or

b. courses satisfactorily completed in pursuit of a second undergraduate degree with a full major in English, mathematics, science or social studies; or

2. Fees for any examination required pursuant to the Oklahoma Teacher Preparation Act, Section 6-180 et seq. of Title 70 of the Oklahoma Statutes, or rules promulgated pursuant thereto.

No credit shall be allowed for any amount of tuition paid by or through any grant, scholarship, or stipend, or any amount subject to a tuition waiver. The credit shall be allowed to be claimed with the income tax return filed for the tax year in which the course or courses for which the tuition was paid were satisfactorily completed.

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

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