

ENGROSSED HOUSE AMENDMENTS

TO

ENGROSSED SENATE BILL NO. 1442

By: Kerr and Shurden of the
Senate

and

Covey of the House

(public finance and revenue and taxation - Rural

Economic Development Loan Act - codification -

effective date)

AUTHOR: Add the following House Coauthor: Ervin

AMENDMENT NO. 1. Page 1, line 11, strike the enacting clause

AMENDMENT NO. 2. Page 11, line 5 ½, insert a new Section 10 to read

"SECTION 10. AMENDATORY 74 O.S. 2001, Section 5078, is amended to read as follows:

Section 5078. A. For a period of up to ten (10) years from the date of tenant's occupancy in an incubator, income earned by the tenant as a result of activities conducted as an occupant in an incubator, including income distributed to partners, shareholders of a corporation for which a Subchapter S election is in effect and to the members of a limited liability company, shall be exempt from state income tax. The exemption provided by this section shall remain in effect for such activities by such tenant after the date the tenant is no longer an occupant in an incubator, but not to exceed a total duration of ten (10) years for any tenant.

B. In order to qualify for the income tax exemption for the sixth through tenth year as authorized by this section, the tenant must make at least seventy-five percent (75%) of its gross sales constituting the principal business activity of the business to

buyers located outside the state or to buyers whose principal business activity is conducted outside the state or to the federal government or to buyers located within the state if the product or service is resold to an out-of-state customer or buyer for ultimate use. Provided, if a tenant does not achieve the qualifying percentage for any one of the above tax years, the tenant shall not be disqualified for subsequent tax years in which the qualifying percentage is achieved.

C. The Oklahoma Tax Commission shall promulgate rules to implement the provisions of this section."

and renumber subsequent section

and when the title is restored, amend to conform

Passed the House of Representatives the 15th day of April, 2002.

Presiding Officer of the House of
Representatives

Passed the Senate the ____ day of _____, 2002.

Presiding Officer of the Senate