

ENROLLED HOUSE
BILL NO. 1436

By: Nations, Balkman, Cargill,
Steele, Peters, Tibbs,
Askins, Bonny, Covey, Dank,
Easley, Lindley, Miller
(Ray), Plunk, Roan, Staggs,
Sweeden, Walker and Wilson
of the House

and

Maddox of the Senate

An Act relating to state government; amending 74 O.S. 1991, Section 5078, as amended by Section 2, Chapter 230, O.S.L. 1997 (74 O.S. Supp. 2000, Section 5078), which relates to an exemption from income tax; modifying duration of income tax exemption for certain entities; providing for computation of period; adding requirements for qualification for the exemption during certain period of the exemption; clarifying eligibility for exemption during certain years; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 1991, Section 5078, as amended by Section 2, Chapter 230, O.S.L. 1997 (74 O.S. Supp. 2000, Section 5078), is amended to read as follows:

Section 5078. A. For a period of up to ~~five (5)~~ ten (10) years from the date of tenant's occupancy in an incubator, income earned by tenant as a result of ~~occupancy~~ activities conducted as an occupant in an incubator 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 ~~and regulations~~ to implement the provisions of this section.

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

Passed the House of Representatives the 30th day of April, 2001.

Presiding Officer of the House of
Representatives

Passed the Senate the 17th day of April, 2001.

Presiding Officer of the Senate