

ENGROSSED
House Bill No. 1436
As Amended

ENGROSSED HOUSE BILL NO. 1436 - By: NATIONS, BALKMAN, CARGILL,
STEELE, PETERS and TIBBS of the House and MADDOX of the Senate.

[state government - amending 74 O.S., Section 5078 -
exemption from income tax - Department of Commerce -
effective date]

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

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

9 C. The Oklahoma Tax Commission shall promulgate rules ~~and~~
10 ~~regulations~~ to implement the provisions of this section.

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

12 COMMITTEE REPORT BY: COMMITTEE ON SMALL BUSINESS, dated 3-29-01 - DO
13 PASS, As Amended.