

STATE OF OKLAHOMA

2nd Session of the 48th Legislature (2002)

SENATE BILL 1322

By: Riley

AS INTRODUCED

An Act relating to revenue and taxation; defining terms; allowing income tax credit for electric power purchased by qualified industrial consumer from public service corporation; specifying amount of credit; providing limitations; allowing credit to be transferable within certain time period; requiring filing of certain agreement with Oklahoma Tax Commission; allowing Tax Commission to promulgate certain rules; providing for codification; and declaring an emergency.

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 2357.82 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Baseline price" means the average hourly rate per kilowatt hour paid to a public service corporation for the purchase of electric power by a qualified industrial consumer for the period of January 1, 2000, through June 30, 2000;

2. "Public service corporation" means an entity subject to the jurisdiction of the Oklahoma Corporation Commission and engaged in the sale of electric power to industrial consumers; and

3. "Qualified industrial consumer" means a business engaged in an activity described by Industry Number 3312 of the Standard Industrial Classification Manual (SIC) and which uses electric power for the manufacture of steel and steel products and which was actively engaged in the manufacturing process prior to January 1, 2001, at a facility located in this state.

B. For taxable years beginning after December 31, 2001, there shall be allowed a credit against the tax imposed pursuant to Section 2355 of Title 68 of the Oklahoma Statutes for electric power purchased by a qualified industrial consumer from a public service corporation.

C. Except as otherwise provided in subsection D of this section, the credit authorized by this section may only be claimed by a qualified industrial consumer. The amount of the credit shall be equal to the difference between the baseline price and the average price per kilowatt hour actually paid to a public service corporation by the qualified industrial consumer for the purchase of electric power during the tax year, subject to a maximum of one and five tenths (1.5) of the baseline price, multiplied by the total number of kilowatt hours purchased by the qualified industrial consumer from the public service corporation.

D. The income tax credit allowed pursuant to the provisions of this section which is not used by the qualified industrial consumer shall be freely transferable by written agreement to subsequent transferees at any time during the five (5) years following the year the credit was originally allowed. An eligible transferee shall be any taxpayer subject to the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes. The qualified industrial consumer originally allowed the credit and the subsequent transferee shall jointly file a copy of the written credit transfer agreement with the Oklahoma Tax Commission within thirty (30) days of the transfer. The written agreement shall contain the name, address and taxpayer identification number of the parties to the transfer, the amount of credit being transferred, the year the credit was originally allowed to the transferring qualified industrial consumer and the tax year or years for which the credit may be claimed. The Tax Commission may promulgate rules to permit verification of the validity and timeliness of a tax credit claimed upon a tax return pursuant to

this subsection but shall not promulgate any rules which unduly restrict or hinder the transfers of such tax credit.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

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