

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 2958

By: Calvey

COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; authorizing income tax credit for certain minor children; defining terms; specifying amount of credit; prohibiting use of credit based upon use of child care expense credit; prohibiting use of tax credit to reduce tax liability below certain amount; providing for codification; and providing an effective date.

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 2357.301 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. As used in this act:

1. "Qualifying minor child" means a person who:

- a. is eighteen (18) years of age or younger as of December 31 of the taxable year for which the credit authorized by this section is claimed, and
- b. is the biological son or daughter of the taxpayer, or
- c. has been adopted by the taxpayer, or
- d. if not qualified pursuant to subparagraph b or c of this paragraph, was claimed by the taxpayer as a dependent or could have been claimed by the taxpayer as a dependent for federal income tax purposes for the taxable year for which the credit is claimed; and

2. "Child care expense credit" means the amount by which individual income tax liability may be reduced pursuant to Section 2357 of Title 68 of the Oklahoma Statutes.

B. Subject to the limitations imposed by this section, for taxable years beginning after December 31, 2006, there shall be allowed a credit against the tax imposed pursuant to Section 2355 of Title 68 of the Oklahoma Statutes equal to One Hundred Dollars (\$100.00) for each qualifying minor child of the taxpayer.

C. The credit authorized by this section may not be claimed for a minor child with respect to whom a taxpayer has also claimed the child care expense credit.

D. The credit authorized by this section may not be used to reduce the tax liability of the taxpayer to less than zero (0).

SECTION 2. This act shall become effective January 1, 2007.

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