

ENGROSSED HOUSE
BILL NO. 2072

By: Cargill, Terrill, Dank,
Adkins, Peterson (Ron),
DePue and Morrisette of
the House

and

Laster of the Senate

(revenue and taxation - Retain Brain Act -
codification - noncodification -

effective date)

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

SECTION 1. NEW LAW A new section of law not to be
codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "Retain Brain
Act."

SECTION 2. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 2357.105 of Title 68, unless
there is created a duplication in numbering, reads as follows:

A. For taxable years beginning after December 31, 2006, there
shall be allowed against the tax imposed by Section 2355 of Title 68
of the Oklahoma Statutes, a credit equal to the amount paid by an
individual for the repayment of principal or interest or both of
indebtedness incurred for the cost of the individual to attend an
accredited four-year college or university.

B. An individual shall only be eligible for the credit provided
in subsection A of this section if the person has received an
undergraduate or graduate degree from an accredited four-year
college or university.

C. In no event shall the amount of the credit provided for in subsection A of this section for an individual exceed Five Thousand Dollars (\$5,000.00) per taxable year.

D. Only the first forty-eight (48) payments made by an individual in repayment of principal or interest or both of indebtedness incurred for the cost of the individual to attend an accredited four-year college or university shall be eligible for the credit provided for in subsection A of this section.

E. The amount of the credit shall be:

1. One hundred percent (100%) for the first year;
2. Seventy-five percent (75%) for the second year;
3. Fifty percent (50%) for the third year; and
4. Twenty-five percent (25%) for the fourth year.

F. An individual may only claim the credit provided for in subsection A of this section if the individual was current on the repayment of the indebtedness at the end of the taxable year for which the credit is claimed.

G. As used in this section, "indebtedness" means a guaranteed student loan, a loan extended by a private financial institution, or other form of credit for which the credit claimant is legally obligated to repay and is used to pay for the costs of tuition, books, and supplies to attend an accredited four-year college or university.

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

Passed the House of Representatives the 15th day of March, 2006.

Presiding Officer of the House of
Representatives

Passed the Senate the ____ day of _____, 2006.

Presiding Officer of the Senate