

EHB 2072

THE STATE SENATE
Monday, April 10, 2006

ENGROSSED
House Bill No. 2072
As Amended

ENGROSSED HOUSE BILL NO. 2072 - By: CARGILL, TERRILL, DANK, ADKINS,
PETERSON (Ron), DePUE and MORRISSETTE 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.

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

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

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

13 E. The amount of the credit shall be:

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

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

22 G. As used in this section, "indebtedness" means a guaranteed
23 student loan, a loan extended by a private financial institution, or

1 other form of credit for which the credit claimant is legally
2 obligated to repay and is used to pay for the costs of tuition,
3 books, and supplies to attend an accredited four-year college or
4 university.

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

6 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 4-4-06 - DO PASS,
7 As Amended.