

3 **Senate Bill No. 1063**  
4 **As Amended**

5 SENATE BILL NO. 1063 - By: WILSON of the Senate and ROUSSELOT of the  
6 House.

7 [ revenue and taxation - modifying Rural Venture Capital  
8 Formation Incentive Act - effective date ]

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

10 SECTION 1. AMENDATORY 68 O.S. 2001, Section 2357.73, as  
11 last amended by Section 5, Chapter 299, O.S.L. 2005 (68 O.S. Supp.  
12 2005, Section 2357.73), is amended to read as follows:

13 Section 2357.73 A. For taxable years beginning after December  
14 31, 2000, and before January 1, 2008, there shall be allowed a  
15 credit against the tax imposed by Section 2355 or, effective January  
16 1, 2001, Section 2370 of this title or, effective July 1, 2001,  
17 against the tax imposed by Section 624 or 628 of Title 36 of the  
18 Oklahoma Statutes, or effective July 1, 2006, against the taxes  
19 imposed by Section 1001, 1101 or 1102 of this title, for qualified  
20 investment in qualified rural small business capital companies.  
21 Credits shall be allowed based upon investments, occurring after May  
22 31, 2004, using capitalization pursuant to subparagraph c of  
23 paragraph 2 of Section 2357.72 of this title; however, no credits  
24 may be claimed based upon investments using capitalization pursuant

1 to subparagraph c of paragraph 2 of Section 2357.72 of this title  
2 prior to July 1, 2005.

3 B. The credit provided for in subsection A of this section  
4 shall be thirty percent (30%) of the cash amount invested in  
5 qualified rural small business capital companies and may only be  
6 claimed for a taxable year during which the qualified rural small  
7 business capital company invests funds in an Oklahoma rural small  
8 business venture and the credit shall be allowed for the amount of  
9 funds invested in an Oklahoma rural small business venture. If the  
10 tax credit exceeds the amount of taxes due or if there are no state  
11 taxes due of the taxpayer, the amount of the claim not used as an  
12 offset against the taxes of a taxable year may be carried forward  
13 for a period not to exceed ten (10) taxable years.

14 C. No taxpayer may claim the credit provided for in this  
15 section for investments in qualified rural small business capital  
16 companies made prior to January 1, 2001.

17 D. No taxpayer may claim the credit provided for in this  
18 section if the capital provided by a qualified rural small business  
19 capital company is used by an Oklahoma rural small business venture  
20 for the acquisition of any other legal entity unless the following  
21 conditions are met:

22 1. The legal entity acquired or being acquired is relocating  
23 within this state from outside the state; and

1        2. Within twelve (12) months after the acquisition, the legal  
2 entity has resulted in at least ten (10) new direct jobs. For  
3 purposes of this paragraph, "new direct job" means full-time  
4 equivalent employment in this state for the legal entity acquired at  
5 a salary, excluding benefits which are not subject to Oklahoma  
6 income taxes, equal to one hundred percent (100%) of the median  
7 county wage as identified by the Oklahoma Census Data Center based  
8 upon the most recent available data from the Census Bureau or the  
9 American Community Survey for the county in which the new jobs are  
10 located.

11        E. No financial lending institution shall be eligible to claim  
12 the credit provided for in this section except with respect to  
13 amounts invested in a qualified rural small business capital  
14 company.

15        F. No taxpayer may claim the credit authorized by this section  
16 for the same invested amount for which any credit is claimed  
17 pursuant to either Section 2357.62 or 2357.63 of this title.

18        SECTION 2. This act shall become effective November 1, 2006.

19        COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-21-06 - DO PASS,  
20        As Amended and Coauthored.