

SB 1578

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THE STATE SENATE
Wednesday, March 1, 2006

Senate Bill No. 1578
As Amended

SENATE BILL NO. 1578 - By: FISHER of the Senate and ADKINS of the House.

[Oklahoma Capital Formation Act - tax credits - modifying dates - effective date]

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

SECTION 1. AMENDATORY 74 O.S. 2001, Section 5085.7, is amended to read as follows:

Section 5085.7 A. The State of Oklahoma hereby issues tax credits that may be used to reduce the tax liability of a person, firm or corporation if such liability is imposed pursuant to the provisions of Section 2355 of Title 68 of the Oklahoma Statutes or Section 624 of Title 36 of the Oklahoma Statutes. Provided, tax credits against liabilities imposed pursuant to Section 624 of Title 36 of the Oklahoma Statutes shall be limited to the amount that would otherwise be collected and allocated to the General Revenue Fund of the State Treasury. Tax credits issued and transferred to the Oklahoma Development Finance Authority pursuant to the provisions of this section and prior to ~~the effective date of this act~~ July 1, 1991, are hereby transferred to the Oklahoma Capital Investment Board, created pursuant to the provisions of ~~this act~~ the

1 Oklahoma Capital Formation Act. The total amount of tax credits
2 that are hereby issued, or are transferred pursuant to this section
3 to the Board, is One Hundred Million Dollars (\$100,000,000.00). The
4 credits shall be freely transferable to subsequent transferees;
5 however, no such tax credit shall be exercisable before July 1,
6 1990, nor after ~~July 1, 2015~~ July 1, 2030. The Board shall not
7 transfer tax credits except in conjunction with a legitimate call on
8 a Board guarantee. The Board shall immediately notify the President
9 Pro Tempore of the Senate, the Speaker of the House of
10 Representatives and the Governor in writing if any tax credit is
11 transferred in conjunction with a legitimate call on a Board
12 guarantee; provided, the Board shall not be required to make such
13 notification for transfers to subsequent transferees.

14 B. The Oklahoma Capital Investment Board shall determine the
15 amount of individual tax credits to be transferred pursuant to ~~this~~
16 ~~act~~ the Oklahoma Capital Formation Act and may negotiate for sale of
17 such credits subject only to the limits imposed by ~~this act~~ the
18 Oklahoma Capital Formation Act. The Board shall ensure that no more
19 than Twenty Million Dollars (\$20,000,000.00) in tax credits has been
20 transferred which may be claimed and used to reduce the tax
21 otherwise imposed by Section 2355 of Title 68 of the Oklahoma
22 Statutes or Section 624 of Title 36 of the Oklahoma Statutes for any
23 one (1) fiscal year. The Board shall clearly indicate upon the face

1 of the certificate or other document transferring the tax credit the
2 principal amount of the tax credit and the taxable year or years for
3 which the credit may be claimed. Any original sale of tax credits
4 by the Board shall be by competitive bidding unless the sale is for
5 full-face value.

6 C. The Board shall, in conjunction with the Oklahoma Tax
7 Commission, develop a system for registration of any tax credits
8 issued or transferred pursuant to ~~this act~~ the Oklahoma Capital
9 Formation Act and a system of certificates that permits verification
10 that any tax credit claimed upon a tax return is validly issued,
11 properly taken in the year of claim and that any transfers of the
12 tax credit are made in accordance with the requirements of ~~this act~~
13 the Oklahoma Capital Formation Act.

14 D. The Board may pay a fee in connection with the purchase by
15 the Board of an option or other agreement pursuant to which a
16 transfer of tax credits authorized by ~~this act~~ the Oklahoma Capital
17 Formation Act may be made.

18 E. The Board shall have the power to make any contract, execute
19 any document, charge reasonable fees for services rendered, perform
20 any act or enter into any financial or other transaction necessary
21 in order to carry out its mission. The Board may employ such
22 persons as may be required for the proper implementation of ~~this act~~
23 the Oklahoma Capital Formation Act, the management of its assets, or

1 the performance of any function authorized or required by ~~this act~~
2 the Oklahoma Capital Formation Act or necessary for the
3 accomplishment of any such function. Such persons shall be selected
4 by the Board based upon outstanding knowledge and leadership in the
5 field for which the person performs services for the Board.

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

7 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-14-06 - DO PASS,
8 As Amended and Coauthored.