

3 Senate Bill No. 409  
4 As Amended

5 SENATE BILL NO. 409 - By: GUMM of the Senate and MILLER (Doug) of  
6 the House.

7 [ revenue and taxation - income tax credits - expanding  
8 eligibility - modify definition - effective date ]

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

10 SECTION 1. AMENDATORY 68 O.S. 2001, Section 2357.41, as  
11 amended by Section 2, Chapter 186, O.S.L. 2003 (68 O.S. Supp. 2004,  
12 Section 2357.41), is amended to read as follows:

13 Section 2357.41 A. For tax years beginning after ~~December 31,~~  
14 ~~2000~~ December 31, 2005, there shall be allowed a credit against the  
15 tax imposed by ~~Section~~ Sections 2355 and ~~Section~~ 2370 of this title  
16 or Section 624 or 628 of Title 36 of the Oklahoma Statutes for  
17 qualified rehabilitation expenditures incurred in connection with  
18 any certified historic ~~hotel or historic newspaper plant~~ building  
19 located in an increment or incentive district created pursuant to  
20 the Local Development Act. The amount of the credit shall be one  
21 hundred percent (100%) of the federal rehabilitation credit provided  
22 for in Section 47 of Title 26 of the United States Code.

23 B. If the credit allowed pursuant to this section exceeds the  
24 amount of income taxes due or if there are no state income taxes due

1 on the income of the taxpayer, the amount of the credit allowed but  
2 not used in any taxable year may be carried forward as a credit  
3 against subsequent income tax liability for a period not exceeding  
4 ten (10) years following the qualified expenditures.

5 C. All rehabilitation work to which the credit may be applied  
6 shall be approved by the State Historic Preservation Office prior to  
7 completion of the rehabilitation project as meeting the Secretary of  
8 the Interior's Standards for Rehabilitation so that the office can  
9 provide corrective comments to the taxpayer in order to preserve the  
10 historical qualities of the building. A certified historic ~~hotel~~  
11 ~~building or historic newspaper plant~~ building may be rehabilitated  
12 for any lawful use or uses, including without limitation mixed uses  
13 and still retain eligibility for the credit provided for in this  
14 section.

15 D. The amount of the credit allowed for any credit claimed for  
16 a certified historic hotel or historic newspaper plant building, but  
17 not used, shall be freely transferable to subsequent transferees at  
18 any time during the five (5) years following the year of  
19 qualification. Any person to whom or to which a tax credit is  
20 transferred shall have only such rights to claim and use the credit  
21 under the terms that would have applied to the entity by whom or by  
22 which the tax credit was transferred. The provisions of this  
23 subsection shall not limit the ability of a tax credit transferee to

1 reduce the tax liability of the transferee regardless of the actual  
2 tax liability of the tax credit transferor for the relevant taxable  
3 period. The transferor originally allowed the credit and the  
4 subsequent transferee shall jointly file a copy of the written  
5 credit transfer agreement with the Oklahoma Tax Commission within  
6 thirty (30) days of the transfer. The written agreement shall  
7 contain the name, address and taxpayer identification number of the  
8 parties to the transfer, the amount of credit being transferred, the  
9 year the credit was originally allowed to the transferor and the tax  
10 year or years for which the credit may be claimed. The Tax  
11 Commission may promulgate rules to permit verification of the  
12 validity and timeliness of a tax credit claimed upon a tax return  
13 pursuant to this subsection but shall not promulgate any rules which  
14 unduly restrict or hinder the transfers of such tax credit.

15 E. As used in this section:

16 1. "Certified historic ~~hotel or historic newspaper plant~~  
17 building" means a ~~hotel or newspaper plant~~ building that is listed  
18 on the National Register of Historic Places within three (3) years  
19 of taking the credit pursuant to this section; and

20 2. "Qualified rehabilitation expenditures" means capital  
21 expenditures that qualify for the federal rehabilitation credit  
22 provided in Section 47 of Title 26 of the United States Code and  
23 that were paid after December 31, 2000. Qualified rehabilitation

1 expenditures do not include capital expenditures for nonhistoric  
2 additions except an addition that is required by state or federal  
3 regulations that related to historic preservation, safety, or  
4 accessibility. In addition, qualified rehabilitation expenditures  
5 do not include expenditures related to the cost of acquisition of  
6 the property.

7 SECTION 2. This act shall become effective January 1, 2006.

8 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-15-05 - DO PASS,  
9 As Amended and Coauthored.