

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

HOUSE BILL 1936

By: Morrissette

AS INTRODUCED

An Act relating to wages; amending 40 O.S. 2001, Section 197.16, which relates to minimum wage; increasing amount of certain credit; allowing certain tax credit; providing value of credit based upon certain conditions; allowing taxpayers to claim the credit under certain circumstances; stating limitations of the credit; authorizing development of forms; providing for codification; and providing an effective date.

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

SECTION 1. AMENDATORY 40 O.S. 2001, Section 197.16, is amended to read as follows:

Section 197.16 To compute the minimum wage of any employee coming within the purview of this act, credit toward the minimum required wage must be given for any tips or gratuities, meals or lodging received by the employee up to but not exceeding ~~fifty percent (50%)~~ sixty percent (60%) of ~~said~~ the wage.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2387.1 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For tax years beginning after December 31, 2005, there shall be allowed a credit for any taxpayer employing one hundred (100) or fewer persons who voluntarily increases the wages of employees who have been paid the federally required minimum wage for six (6) months or more, in the following amounts:

1. For wages paid on or after January 1, 2006, but prior to January 1, 2007, the credit shall be fifty percent (50%) of the amount of the increase actually paid to employees which is greater

than the federally required minimum wage, not to exceed Six Dollars (\$6.00) per hour; and

2. For wages paid on or after January 1, 2007, but prior to January 1, 2008, the credit shall be twenty-five percent (25%) of the amount of such increase actually paid to employees which is greater than the federally required minimum wage, not to exceed Seven Dollars (\$7.00) per hour.

A taxpayer who provides such employees with a basic health benefits plan as defined in subparagraph b of paragraph 1 of subsection A of Section 3603 of Title 68 of the Oklahoma Statutes and who continues to pay wages to such employees in an amount not less than Seven Dollars (\$7.00) per hour shall be eligible to claim the credit provided in paragraph 2 of this subsection for wages paid until July 1, 2009.

B. In no event shall the amount of the credit exceed the amount of any tax liability of the taxpayer.

C. Any credits allowed but not used in any tax year may be carried over, in order, to each one of the four (4) years following the year of qualification.

D. The Tax Commission shall have the authority to prescribe forms for purposes of claiming the credit authorized by this section.

SECTION 3. This act shall become effective November 1, 2005.

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