

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

SENATE BILL 1063

By: Wilson

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2001, Section 2357.73, as last amended by Section 5, Chapter 299, O.S.L. 2005 (68 O.S. Supp. 2005, Section 2357.73), which relates to the Rural Venture Capital Formation Incentive Act; modifying conditions under which tax credit may be claimed; defining term; and providing an effective date.

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

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

Section 2357.73 A. For taxable years beginning after December 31, 2000, and before January 1, 2008, there shall be allowed a credit against the tax imposed by Section 2355 or, effective January 1, 2001, Section 2370 of this title or, effective July 1, 2001, against the tax imposed by Section 624 or 628 of Title 36 of the Oklahoma Statutes, or effective July 1, 2006, against the taxes imposed by Section 1001, 1101 or 1102 of this title, for qualified investment in qualified rural small business capital companies. Credits shall be allowed based upon investments, occurring after May 31, 2004, using capitalization pursuant to subparagraph c of paragraph 2 of Section 2357.72 of this title; however, no credits may be claimed based upon investments using capitalization pursuant to subparagraph c of paragraph 2 of Section 2357.72 of this title prior to July 1, 2005.

B. The credit provided for in subsection A of this section shall be thirty percent (30%) of the cash amount invested in

qualified rural small business capital companies and may only be claimed for a taxable year during which the qualified rural small business capital company invests funds in an Oklahoma rural small business venture and the credit shall be allowed for the amount of funds invested in an Oklahoma rural small business venture. If the tax credit exceeds the amount of taxes due or if there are no state taxes due of the taxpayer, the amount of the claim not used as an offset against the taxes of a taxable year may be carried forward for a period not to exceed ten (10) taxable years.

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

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

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

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

E. No financial lending institution shall be eligible to claim the credit provided for in this section except with respect to

amounts invested in a qualified rural small business capital company.

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

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

50-2-2251

JCR

6/13/2015 8:20:41 AM