STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

SENATE BILL 452 By: Gumm

AS INTRODUCED

An Act relating to revenue and taxation; amending Section 1, Chapter 510, O.S.L. 2004 (68 O.S. Supp. 2004, Section 2357.100), which relates to income tax credits; extending time period during which tax credit may be claimed for purchase and transportation of poultry litter; and providing an effective date.

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

SECTION 1. AMENDATORY Section 1, Chapter 510, O.S.L. 2004 (68 O.S. Supp. 2004, Section 2357.100), is amended to read as follows:

Section 2357.100 A. For taxable years beginning after December 31, 2004, and ending on or before ~~December 31, 2005~~ December 31, 2006, there shall be allowed a credit against the tax imposed by Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title for the purchase and transportation of poultry litter. Subject to the limitations provided in subsection B of this section, the credit shall be available to the purchaser of the poultry litter and shall equal Five Dollars ($5.00) per ton purchased and transported.

B. 1. The total of the credits authorized by this section shall not exceed Three Hundred Seventy-five Thousand Dollars ($375,000.00) annually. The amount of the credit for each purchaser shall be adjusted annually so that the total estimate of the credits authorized by this section does not exceed Three Hundred Seventy-five Thousand Dollars ($375,000.00). The formula to be used for the percentage adjustment shall be Three Hundred Seventy-five Thousand Dollars ($375,000.00) divided by the credits claimed in the preceding year. In no event shall the credit be claimed more than once by a taxpayer each taxable year.

2. In the event the total tax credits authorized by this section exceed Three Hundred Seventy-five Thousand Dollars ($375,000.00) in any calendar year, the Oklahoma Tax Commission shall permit any excess over Three Hundred Seventy-five Thousand Dollars ($375,000.00) but shall factor such excess into the percentage adjustment formula for subsequent years.

C. In order to qualify for the credit provided for in subsection A of this section:

1. The poultry litter shall only be purchased from an Oklahoma-based poultry operation registered with the State Board of Agriculture and located within an environmentally sensitive and nutrient-limited watershed area as defined in the most recent Oklahoma Water Quality Standards;

2. The poultry litter shall be used or spread in a watershed that is not environmentally sensitive and nutrient-limited as defined in the most recent Oklahoma Water Quality Standards; and

3. The poultry litter shall be applied by a certified poultry waste applicator as defined by Section 10-9.1 of Title 2 of the Oklahoma Statutes and in accordance with the provisions of Sections 10-9.16 through 10-9.21 of Title 2 of the Oklahoma Statutes and any rules promulgated by the Oklahoma Department of Agriculture, Food, and Forestry.

D. The credit allowed by this section shall be available to the taxpayer in the year in which the poultry litter was purchased and transported, provided the taxpayer is found by the Oklahoma Department of Agriculture, Food, and Forestry to have applied the poultry litter in a manner consistent with an Animal Waste Management Plan, as defined in Section 10-9.1 of Title 2 of the Oklahoma Statutes, specifically designed to restore and protect beneficial uses from impairment from nutrients. If the credit exceeds the amount of income taxes due or if there are no state income taxes due on the income of the taxpayer, the amount of the

credit not used as an offset against the income taxes for a year may be carried forward as a credit against subsequent income tax liability for a period not to exceed five (5) years.

SECTION 2. This act shall become effective November 1, 2005.

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