

1 ENGROSSED HOUSE AMENDMENT  
TO  
2 ENGROSSED SENATE BILL NO. 1799

By: Gumm, Anderson and Sparks  
of the Senate

3  
4 and

Terrill of the House

5  
6  
7 ( revenue and taxation - modifying income tax credit  
8 for railroad reconstruction - limiting credits  
9 granted -

10 effective date )  
11  
12

13 AUTHOR: Add the following House Coauthor: Jett

14 AMENDMENT NO. 1. Strike the stricken title, enacting clause and  
entire bill and insert  
15

16 "An Act relating to revenue and taxation; amending  
17 Section 8, Chapter 413, O.S.L. 2005, as amended by  
Section 24, Chapter 44, 2nd Extraordinary Session,  
18 O.S.L. 2006 (68 O.S. Supp. 2007, Section 2357.104),  
which relates to income tax; modifying tax credit  
19 for specified time periods; permitting certain  
credits to be redeemed based on specified schedule;  
20 limiting amount of certain claims; limiting number  
of credits granted during certain time period; and  
providing an effective date.  
21

22  
23 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:  
24

1 SECTION 1. AMENDATORY Section 8, Chapter 413, O.S.L.  
2 2005, as amended by Section 24, Chapter 44, 2nd Extraordinary  
3 Session, O.S.L. 2006 (68 O.S. Supp. 2007, Section 2357.104), is  
4 amended to read as follows:

5 Section 2357.104 A. For taxable years beginning after December  
6 31, 2005, there shall be allowed a credit against the tax imposed by  
7 Section 2355 of this title equal to fifty percent (50%) of an  
8 eligible taxpayer's qualified railroad reconstruction or replacement  
9 expenditures.

10 B. ~~In no event shall~~ 1. Except as provided in paragraph 2 of  
11 this subsection, the amount of the credit exceed shall be limited to  
12 the product of Five Hundred Dollars (\$500.00) for tax year 2007 and  
13 Two Thousand Dollars (\$2,000.00) for tax ~~years~~ year 2008 and ~~beyond~~  
14 subsequent tax years and the number of miles of railroad track owned  
15 or leased within this state by the eligible taxpayer as of the close  
16 of the taxable year.

17 2. In tax year 2009 and subsequent tax years, a taxpayer may  
18 elect to increase the limit provided in paragraph 1 of this  
19 subsection to an amount equal to three times the limit specified in  
20 paragraph 1 of this subsection for qualified expenditures made in  
21 the tax year, provided the taxpayer may only claim one third (1/3)  
22 of the credit in any one taxable period.

23 C. The credit allowed pursuant to subsection A of this section  
24 but not used shall be freely transferable, by written agreement, to

1 subsequent transferees at any time during the five (5) years  
2 following the year of qualification. An eligible transferee shall  
3 be any taxpayer subject to the tax imposed by Section 2355 of this  
4 title. The person originally allowed the credit and the subsequent  
5 transferee shall jointly file a copy of the written credit transfer  
6 agreement with the Oklahoma Tax Commission within thirty (30) days  
7 of the transfer. The written agreement shall contain the name,  
8 address and taxpayer identification number of the parties to the  
9 transfer, the amount of credit being transferred, the year the  
10 credit was originally allowed to the transferring person and the tax  
11 year or years for which the credit may be claimed. The Tax  
12 Commission shall promulgate rules to permit verification of the  
13 timeliness of a tax credit claimed upon a tax return pursuant to  
14 this subsection but shall not promulgate any rules which unduly  
15 restrict or hinder the transfers of such tax credit. The Department  
16 of Transportation shall promulgate rules to permit verification of  
17 the eligibility of an eligible taxpayer's expenditures for the  
18 purpose of claiming the credit. The rules shall provide for the  
19 approval of qualified railroad reconstruction or replacement  
20 expenditures prior to commencement of a project and provide a  
21 certificate of verification upon completion of a project that uses  
22 qualified railroad reconstruction or replacement expenditures. The  
23 certificate of verification shall satisfy all requirements of the

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1 Tax Commission pertaining to the eligibility of the person claiming  
2 the credit.

3 D. Any credits allowed pursuant to the provisions of subsection  
4 A of this section but not used in any tax year may be carried over  
5 in order to each of the five (5) years following the year of  
6 qualification.

7 E. A taxpayer who elects to increase the limitation on the  
8 credit under paragraph 2 of subsection B of this section shall not  
9 be granted additional credits under subsection A of this section  
10 during the period of such election.

11 F. As used in this section:

12 1. "Class II and Class III railroad" means a railroad that is  
13 classified by the United States Surface Transportation Board as a  
14 Class II or Class III railroad;

15 2. "Eligible taxpayer" means any Class II or Class III  
16 railroad; and

17 3. "Qualified railroad reconstruction or replacement  
18 expenditures" means expenditures for:

19 a. reconstruction or replacement of railroad  
20 infrastructure including track, roadbed, bridges,  
21 industrial leads and track-related structures owned or  
22 leased by a Class II or Class III railroad as of  
23 January 1, 2006, or  
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