

1 STATE OF OKLAHOMA

2 1st Session of the 51st Legislature (2007)

3 COMMITTEE SUBSTITUTE

4 FOR

HOUSE BILL NO. 1321

By: Auffet

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7 COMMITTEE SUBSTITUTE

8 (revenue and taxation - tax credits - poultry litter

9
10 - effective date)

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

15 SECTION 1. AMENDATORY Section 1, Chapter 510, O.S.L.
16 2004, as amended by Section 1, Chapter 442, O.S.L. 2005 (68 O.S.
17 Supp. 2006, Section 2357.100), is amended to read as follows:

18 Section 2357.100 A. For taxable years beginning after December
19 31, 2004, and ending on or before December 31, 2008, there shall be
20 allowed a credit against the tax imposed by Section 2355 of this
21 title for the purchase and transportation of poultry litter.

22 Subject to the limitations provided in subsection ~~B~~ C of this
23 section, the credit shall be available to the purchaser of the
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1 poultry litter and shall equal Five Dollars (\$5.00) per ton
2 purchased and transported.

3 B. For taxable years beginning after December 31, 2008, and
4 ending on or before December 31, 2013, there shall be allowed a
5 credit against the tax imposed by Section 2355 of this title for the
6 purchase and transportation of poultry litter. Subject to the
7 limitations provided in subsection C of this section, the credit
8 shall be available to the purchaser of the poultry litter and shall
9 equal Ten Dollars (\$10.00) per ton purchased and transported.

10 C. 1. The total of the credits authorized by this section
11 shall not exceed Three Hundred Seventy-five Thousand Dollars
12 (\$375,000.00) annually. The amount of the credit for each purchaser
13 shall be adjusted annually so that the total estimate of the credits
14 authorized by this section does not exceed Three Hundred Seventy-
15 five Thousand Dollars (\$375,000.00). The formula to be used for the
16 percentage adjustment shall be Three Hundred Seventy-five Thousand
17 Dollars (\$375,000.00) divided by the credits claimed in the
18 preceding year. In no event shall the credit be claimed more than
19 once by a taxpayer each taxable year.

20 2. In the event the total tax credits authorized by this
21 section exceed Three Hundred Seventy-five Thousand Dollars
22 (\$375,000.00) in any calendar year, the Oklahoma Tax Commission
23 shall permit any excess over Three Hundred Seventy-five Thousand
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1 Dollars (\$375,000.00) but shall factor such excess into the
2 percentage adjustment formula for subsequent years.

3 ~~C.~~ D. In order to qualify for the credit provided for in
4 ~~subsection~~ subsections A and B of this section:

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

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

13 3. The poultry litter shall be applied by a certified poultry
14 waste applicator as defined by Section 10-9.1 of Title 2 of the
15 Oklahoma Statutes and in accordance with the provisions of Sections
16 10-9.16 through 10-9.21 of Title 2 of the Oklahoma Statutes and any
17 rules promulgated by the Oklahoma Department of Agriculture, Food,
18 and Forestry.

19 ~~D.~~ E. The credit allowed by this section shall be available to
20 the taxpayer in the year in which the poultry litter was purchased
21 and transported, provided the taxpayer is found by the Oklahoma
22 Department of Agriculture, Food, and Forestry to have applied the
23 poultry litter in a manner consistent with an Animal Waste
24 Management Plan, as defined in Section 10-9.1 of Title 2 of the

1 Oklahoma Statutes, specifically designed to restore and protect
2 beneficial uses from impairment from nutrients. If the credit
3 exceeds the amount of income taxes due or if there are no state
4 income taxes due on the income of the taxpayer, the amount of the
5 credit not used as an offset against the income taxes for a year may
6 be carried forward as a credit against subsequent income tax
7 liability for a period not to exceed five (5) years.

8 SECTION 2. This act shall become effective November 1, 2007.

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10 51-1-7350 CJB 02/22/07

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