

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 1492

By: Sullivan

6  
7 COMMITTEE SUBSTITUTE

8 ( revenue and taxation - tax credit for taxpayers who  
9 own or lease property in Eucha/Spavinaw Watershed -  
10 codification -

11 effective date )

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

16 SECTION 1. NEW LAW A new section of law to be codified  
17 in the Oklahoma Statutes as Section 2357.105 of Title 68, unless  
18 there is created a duplication in numbering, reads as follows:

19 A. For taxable years beginning on or after January 1, 2008, and  
20 ending on or before December 31, 2014, there shall be allowed a  
21 credit against the tax imposed by Section 1803 or Section 2355 of  
22 Title 68 of the Oklahoma Statutes or Section 624 or 628 of Title 36  
23 of the Oklahoma Statutes for a taxpayer who owns or leases property  
24 in the Eucha/Spavinaw Watershed located in Delaware and Mayes

1 Counties and identified by Hydrologic Unit Code (HUC) 11070206, as  
2 compiled by the United States Geological Survey, and who:

3 1. Purchases material for the building of fences and other  
4 barricades to prevent livestock from polluting the waterways of the  
5 watershed in accordance with a certified land management plan;

6 2. Conveys environmental easements to the state to prevent  
7 livestock from polluting the waterways of the watershed in  
8 accordance with a certified land management plan;

9 3. Purchases nitrogen fertilizer agronomically necessary for  
10 the growing of crops or grasses in accordance with a certified land  
11 management plan and an affidavit demonstrating a reduction of  
12 phosphorous to the amount agronomically necessary for the growing of  
13 crops or grasses;

14 4. Constructs a riparian buffer strip, not less than fifty (50)  
15 feet in width from the edge of any stream in the watershed and  
16 running the full length of the taxpayer's property bordering such  
17 stream, if constructed and maintained in accordance with applicable  
18 Natural Resources Conservation Service standards; and

19 5. Any combination thereof.

20 B. For purposes of this section, "certified land management  
21 plan" means a written plan that:

22 1. Includes a combination of conservation and management  
23 practices designed to protect the natural resources of the state as  
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1 required by the Oklahoma Department of Agriculture, Food, and  
2 Forestry;

3 2. May include plans referred to as "animal waste management  
4 plans", "comprehensive nutrient management plans" or "conservation  
5 plans"; or

6 3. May prescribe standards and conservation practices for the  
7 land application of nutrients.

8 C. The credit provided in subsection A of this section shall be  
9 equal to one hundred percent (100%) of the unreimbursed expenditures  
10 made by the taxpayer for the:

11 1. Materials used and labor required for the construction of  
12 fences or barricades as provided in paragraph 1 of subsection A of  
13 this section or a riparian buffer strip, as provided in paragraph 4  
14 of subsection A of this section;

15 2. Value of the easement as appraised by a certified real  
16 estate appraiser;

17 3. Cost of the nitrogen fertilizer purchased; and

18 4. Any combination thereof.

19 D. The Oklahoma Tax Commission shall promulgate rules to  
20 implement the provisions of this section, including but not limited  
21 to requirements for proof of purchase or other methods of  
22 verification of the validity of a tax credit claimed pursuant to  
23 this section.

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1 E. In no event shall the amount of the credit exceed the amount  
2 of any tax liability of the taxpayer.

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

6 G. Upon election of the taxpayer, the credit allowed by  
7 subsection A of this section shall be treated and may be claimed as  
8 a payment of tax, a prepayment of tax or a payment of estimated tax  
9 for purposes of Section 1803 or 2355 of Title 68 of the Oklahoma  
10 Statutes or Section 624 or 628 of Title 36 of the Oklahoma Statutes.

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

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