

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 2015

By: Shelton

6
7 COMMITTEE SUBSTITUTE

8 (revenue and taxation - New Century Land Run Act of

9 2007 - income tax credit - qualified home purchase

10 - codification - noncodification -

11 effective date)

12
13
14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. NEW LAW A new section of law not to be
16 codified in the Oklahoma Statutes reads as follows:

17 This act shall be known and may be cited as the "New Century
18 Land Run Act of 2007".

19 SECTION 2. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 2357.601 of Title 68, unless
21 there is created a duplication in numbering, reads as follows:

22 A. As used in this section:
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1 1. "Adjusted gross income" means that amount of income subject
2 to federal income tax computed pursuant to the provisions of the
3 Internal Revenue Code of 1986, as amended;

4 2. "Closing costs" means expenditures for prepaid interest,
5 whether denominated as such or as "points", surveying fees,
6 inspection fees, fees for recordation of documents, credit history
7 research, private mortgage insurance, real estate broker fees, or
8 any other expense imposed upon the purchaser by the terms of the
9 real estate purchase contract, the terms of the borrowing for the
10 purchase money imposed by the lender of those funds, or otherwise
11 required to be paid by the person or persons who acquire title to
12 the qualified single family residence;

13 3. "Down payment" means a cash amount, unencumbered in any way,
14 required by the seller or by the lender providing purchase money to
15 a buyer, in order to acquire a single family residential dwelling;

16 4. "Qualified home purchase savings account" means a special
17 savings account created by an eligible financial institution
18 organized under the laws of the state or authorized to do business
19 in the state and created for the purpose of accumulating funds for
20 the down payment amount, eligible closing costs or both such payment
21 and costs for which the credit authorized by this section is or may
22 be available;

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1 6. "Qualified savings amount" means those deposits or
2 accumulations of interest upon deposits made to a qualified home
3 purchase savings account pursuant to the requirements of this act;

4 7. "Qualified single family residence" means improvements to
5 real property, regardless of whether title to such property has been
6 previously held by any other purchaser of the residence prior to the
7 date as of which title is acquired by an eligible taxpayer, used as
8 the principal dwelling of the eligible taxpayer and which
9 constitutes the first such residence to which the tax credit
10 claimant has ever acquired title, either alone or jointly with any
11 other owner; and

12 8. "Single family residential dwelling" means improvements to
13 real property suitable for occupancy as the primary residence, but
14 shall not include an apartment, duplex, town home or any other
15 structure that is leased by an owner to a tenant.

16 B. For taxable years beginning after December 31, 2008, there
17 shall be allowed as a credit against the tax imposed pursuant to
18 Section 2355 of Title 68 of the Oklahoma Statutes a credit in the
19 following amounts:

20 1. One hundred percent (100%) of the qualified savings amount
21 for:

22 a. a person whose filing status is single, married filing
23 separate return or head of household, with an adjusted
24

1 gross income of not more than Eighteen Thousand One
2 Hundred Seventy-four Dollars (\$18,174.00),

3 b. married filing a joint return, with a combined
4 adjusted gross income of not more than Thirty-six
5 Thousand Three Hundred Forty-eight Dollars
6 (\$36,348.00);

7 2. Ninety percent (90%) of the qualified savings amount for:

8 a. a person whose filing status is single, married filing
9 separate return or head of household, with an adjusted
10 gross income of not more than Twenty Thousand Six
11 Hundred Seventy-four Dollars (\$20,674.00),

12 b. married filing a joint return, with a combined
13 adjusted gross income of not more than Forty-one
14 Thousand Three Hundred Forty-eight Dollars
15 (\$41,348.00);

16 3. Eighty percent (80%) of the qualified savings amount for:

17 a. a person whose filing status is single, married filing
18 separate return or head of household, with an adjusted
19 gross income of not more than Twenty-three Thousand
20 One Hundred Seventy-four Dollars (\$23,174.00),

21 b. married filing a joint return, with a combined
22 adjusted gross income of not more than Forty-six
23 Thousand Three Hundred Forty-eight Dollars
24 (\$46,348.00);

- 1 4. Seventy percent (70%) of the qualified savings amount for:
- 2 a. a person whose filing status is single, married filing
- 3 separate return or head of household, with an adjusted
- 4 gross income of not more than Twenty-five Thousand Six
- 5 Hundred Seventy-four Dollars (\$25,674.00),
- 6 b. married filing a joint return, with a combined
- 7 adjusted gross income of not more than Fifty-one
- 8 Thousand Three Hundred Forty-eight Dollars
- 9 (\$51,348.00);
- 10 5. Sixty percent (60%) of the qualified savings amount for:
- 11 a. a person whose filing status is single, married filing
- 12 separate return or head of household, with an adjusted
- 13 gross income of not more than Twenty-eight Thousand
- 14 One Hundred Seventy-four Dollars (\$28,174.00),
- 15 b. married filing a joint return, with a combined
- 16 adjusted gross income of not more than Fifty-six
- 17 Thousand Three Hundred Forty-eight Dollars
- 18 (\$56,348.00),
- 19 6. Fifty percent (50%) of the qualified savings amount for:
- 20 a. a person whose filing status is single, married filing
- 21 separate return or head of household, with an adjusted
- 22 gross income of not more than Thirty Thousand Six
- 23 Hundred Seventy-four Dollars (\$30,674.00),
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1 b. married filing a joint return, with a combined
2 adjusted gross income of not more than Sixty-one
3 Thousand Three Hundred Forty-eight Dollars
4 (\$61,348.00),

5 7. Forty percent (40%) of the qualified savings amount for:

6 a. a person whose filing status is single, married filing
7 separate return or head of household, with an adjusted
8 gross income of not more than Thirty-three Thousand
9 One Hundred Seventy-four Dollars (\$33,174.00),

10 b. married filing a joint return, with a combined
11 adjusted gross income of not more than Sixty-six
12 Thousand Three Hundred Forty-eight Dollars
13 (\$66,348.00),

14 8. Thirty percent (30%) of the qualified savings amount for:

15 a. a person whose filing status is single, married filing
16 separate return or head of household, with an adjusted
17 gross income of not more than Thirty-five Thousand Six
18 Hundred Seventy-four Dollars (\$35,674.00),

19 b. married filing a joint return, with a combined
20 adjusted gross income of not more than Seventy-one
21 Thousand Three Hundred Forty-eight Dollars
22 (\$71,348.00),

23 9. Twenty percent (20%) of the qualified savings amount for:
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1 a. a person whose filing status is single, married filing
2 separate return or head of household, with an adjusted
3 gross income of not more than Forty Thousand Six
4 Hundred Seventy-four Dollars (\$40,674.00),

5 b. married filing a joint return, with a combined
6 adjusted gross income of not more than Eighty-one
7 Thousand Three Hundred Forty-eight Dollars
8 (\$81,348.00),

9 10. Ten percent (10%) of the qualified savings amount for:

10 a. a person whose filing status is single, married filing
11 separate return or head of household, with an adjusted
12 gross income of not more than Forty-three Thousand One
13 Hundred Seventy-four Dollars (\$43,174.00),

14 b. married filing a joint return, with a combined
15 adjusted gross income of not more than Eighty-six
16 Thousand Three Hundred Forty-eight Dollars
17 (\$86,348.00);

18 C. In order to be eligible for any credit amount authorized by
19 subsection A of this section, the taxpayer shall first be required
20 to become the owner, either alone or in joint tenancy, of a
21 qualified single family residence which ownership shall be
22 documented by a valid conveyance consisting of a deed, warranty
23 deed, special warranty deed, quitclaim deed, or any other conveyance
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1 by a grantor or a person acting with lawful authority respect to the
2 title to the real property described in the conveyance.

3 D. The maximum period of time that a taxpayer may accumulate
4 funds in a qualified home purchase savings account shall be seven
5 (7) years ending on December 31 of the seventh calendar year
6 following the date of the opening of the account, inclusive of the
7 calendar year during which the account is first established.

8 E. The maximum qualified home purchase savings account balance
9 for which any credit otherwise authorized by this section may be
10 claimed shall not exceed Ten Thousand Dollars (\$10,000.00),
11 including any accumulated interest paid.

12 F. The taxpayer shall be required to provide adequate
13 documentation to the Oklahoma Tax Commission that the qualified home
14 purchase savings account balance, subject to the maximum prescribed
15 by subsection E of this section, was used to make a required down
16 payment or was used to pay for an eligible closing cost incurred by
17 the taxpayer as a contractual or other requirement in connection
18 with acquiring title to a qualified single family residence.

19 G. The credit authorized by this section shall be available to
20 a taxpayer who has acquired title to a single family residential
21 dwelling located in this state for the first time regardless of the
22 terms of the financing to acquire the eligible home. The credit
23 authorized by this section shall be available even if the purchaser
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1 is borrowing one hundred percent (100%) of the purchase money for
2 the single family residential dwelling.

3 H. The credit authorized by subsection B of this section shall
4 not be used to reduce the income tax liability of the taxpayer to
5 less than zero (0).

6 I. To the extent not used, the credit authorized by this
7 section may be carried over, in order, to each of the ten (10)
8 subsequent taxable years.

9 SECTION 3. This act shall become effective January 1, 2008.

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11 51-1-7452 MAH 03/01/07

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