

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 SUBCOMMITTEE RECOMMENDATION
4 FOR

5 HOUSE BILL NO. 2940

6 By: Nations

7 SUBCOMMITTEE RECOMMENDATION

8 An Act relating to revenue and taxation; creating tax
9 credit for certain school loans; requiring residency;
10 providing eligibility requirements; mandating schools
11 to provide certain information; limiting credit;
12 providing for carryover; limiting eligibility to
13 individuals current on repayment; defining term;
14 providing for codification; and providing an
15 effective date.

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

17 SECTION 1. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 2357.900 of Title 68, unless
19 there is created a duplication in numbering, reads as follows:

20 A. For taxable years beginning after December 31, 2008, there
21 shall be allowed against the tax imposed by Section 2355 of Title 68
22 of the Oklahoma Statutes, a credit equal to the amount paid by a
23 resident individual for the repayment of principal indebtedness
24 incurred for the cost of the individual to attend an accredited
four-year college or university in this state. The participant may
claim the credit based only on loan payments made during months in

1 | which the individual was working for an employer located in this
2 | state. The individual may not claim the credit for the amount of
3 | loan payments that are attributable to interest.

4 | B. An individual shall only be eligible for the credit provided
5 | in subsection A of this section if the person has received an
6 | undergraduate or graduate degree from an accredited four-year
7 | college or university.

8 | C. In no event shall the amount of the credit provided for in
9 | subsection A of this section for an individual exceed Five Thousand
10 | Dollars (\$5,000.00) per taxable year.

11 | D. Every accredited college and university in this state shall
12 | provide any information requested by the Oklahoma Tax Commission for
13 | use in administering this credit.

14 | E. The credit may not reduce the tax liability of the taxpayer
15 | to less than zero (0).

16 | F. If the amount of an income tax credit allowed pursuant to
17 | the provisions of this section exceeds the amount of income taxes
18 | due for the year in which the credit is granted, the amount of the
19 | credit not used may be carried forward for a period not to exceed
20 | ten (10) years.

21 | G. An individual may only claim the credit provided for in
22 | subsection A of this section if the individual was current on the
23 | repayment of the indebtedness at the end of the taxable year for
24 | which the credit is claimed.

1 H. The Oklahoma Tax Commission shall prescribe forms to be used
2 for the purpose of claiming the credit provided in subsection A of
3 this section.

4 I. For the purposes of this section, "indebtedness" shall
5 include a guaranteed student loan, a loan extended by a private
6 financial institution or other form of credit for which the credit
7 claimant is legally obligated to repayment and is used to pay for
8 the costs of tuition, books and supplies to attend an accredited
9 four-year college or university.

10 SECTION 2. This act shall become effective January 1, 2009.

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12 51-2-10206 CJB 02/20/08

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