

1 ENGROSSED HOUSE
2 BILL NO. 2717

By: Auffet and Sullivan of the
House

3 and

4 Wilson of the Senate
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7 An Act relating to revenue and taxation; amending
8 Section 1, Chapter 510, O.S.L. 2004, as amended by
9 Section 1, Chapter 442, O.S.L. 2005 (68 O.S. Supp.
10 2007, Section 2357.100), which relates to tax credits
11 for purchase and transportation of poultry litter;
12 extending duration of credit; increasing amount of
13 credit; and providing an effective date.

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. 2007, 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
24 poultry litter and shall equal Five Dollars (\$5.00) per ton
purchased and transported.

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

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

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

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

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

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

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

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

1 exceeds the amount of income taxes due or if there are no state
2 income taxes due on the income of the taxpayer, the amount of the
3 credit not used as an offset against the income taxes for a year may
4 be carried forward as a credit against subsequent income tax
5 liability for a period not to exceed five (5) years.

6 SECTION 2. This act shall become effective November 1, 2008.

7 Passed the House of Representatives the 5th day of March, 2008.

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Presiding Officer of the House of
Representatives

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12 Passed the Senate the ____ day of _____, 2008.

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Presiding Officer of the Senate

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