

1 ENGROSSED SENATE
2 BILL NO. 2105

By: Jolley of the Senate

3 and

4 Terrill of the House

5
6 [state government - Oklahoma Capital Formation Act -
7 extending time period - tax credits -
8 effective date]

9
10 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

11 SECTION 1. AMENDATORY 74 O.S. 2001, Section 5085.7, is
12 amended to read as follows:

13 Section 5085.7 A. The State of Oklahoma hereby issues tax
14 credits that may be used to reduce the tax liability of a person,
15 firm or corporation if such liability is imposed pursuant to the
16 provisions of Section 2355 of Title 68 of the Oklahoma Statutes or
17 Section 624 of Title 36 of the Oklahoma Statutes. Provided, tax
18 credits against liabilities imposed pursuant to Section 624 of Title
19 36 of the Oklahoma Statutes shall be limited to the amount that
20 would otherwise be collected and allocated to the General Revenue
21 Fund of the State Treasury. Tax credits issued and transferred to
22 the Oklahoma Development Finance Authority pursuant to the
23 provisions of this section and prior to ~~the effective date of this~~
24 ~~act~~ July 1, 1991 are hereby transferred to the Oklahoma Capital

1 Investment Board, created pursuant to the provisions of ~~this act~~ the
2 Oklahoma Capital Formation Act. The total amount of tax credits
3 that are hereby issued, or are transferred pursuant to this section
4 to the Board, is One Hundred Million Dollars (\$100,000,000.00). The
5 credits shall be freely transferable to subsequent transferees;
6 however, no such tax credit shall be exercisable before July 1,
7 1990, nor after ~~July 1, 2015~~ July 1, 2030. The Board shall not
8 transfer tax credits except in conjunction with a legitimate call on
9 a Board guarantee. The Board shall immediately notify the President
10 Pro Tempore of the Senate, the Speaker of the House of
11 Representatives and the Governor in writing if any tax credit is
12 transferred in conjunction with a legitimate call on a Board
13 guarantee; provided, the Board shall not be required to make such
14 notification for transfers to subsequent transferees.

15 B. The Oklahoma Capital Investment Board shall determine the
16 amount of individual tax credits to be transferred pursuant to this
17 act and may negotiate for sale of such credits subject only to the
18 limits imposed by this act. The Board shall ensure that no more
19 than Twenty Million Dollars (\$20,000,000.00) in tax credits has been
20 transferred which may be claimed and used to reduce the tax
21 otherwise imposed by Section 2355 of Title 68 of the Oklahoma
22 Statutes or Section 624 of Title 36 of the Oklahoma Statutes for any
23 one (1) fiscal year. The Board shall clearly indicate upon the face
24 of the certificate or other document transferring the tax credit the

1 principal amount of the tax credit and the taxable year or years for
2 which the credit may be claimed. Any original sale of tax credits
3 by the Board shall be by competitive bidding unless the sale is for
4 full-face value.

5 C. The Board shall, in conjunction with the Oklahoma Tax
6 Commission, develop a system for registration of any tax credits
7 issued or transferred pursuant to this act and a system of
8 certificates that permits verification that any tax credit claimed
9 upon a tax return is validly issued, properly taken in the year of
10 claim and that any transfers of the tax credit are made in
11 accordance with the requirements of this act.

12 D. The Board may pay a fee in connection with the purchase by
13 the Board of an option or other agreement pursuant to which a
14 transfer of tax credits authorized by this act may be made.

15 E. The Board shall have the power to make any contract, execute
16 any document, charge reasonable fees for services rendered, perform
17 any act or enter into any financial or other transaction necessary
18 in order to carry out its mission. The Board may employ such
19 persons as may be required for the proper implementation of this
20 act, the management of its assets, or the performance of any
21 function authorized or required by this act or necessary for the
22 accomplishment of any such function. Such persons shall be selected
23 by the Board based upon outstanding knowledge and leadership in the
24 field for which the person performs services for the Board.

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

2 Passed the Senate the 5th day of March, 2008.

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4 _____
5 Presiding Officer of the Senate

6 Passed the House of Representatives the ____ day of _____,
7 2008.

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9 _____
10 Presiding Officer of the House
11 of Representatives