

1 ENGROSSED SENATE
2 BILL NO. 526

By: Myers and Rice of the
Senate

3 and

4 DeWitt of the House

5
6
7 [revenue and taxation - - income tax credit for the
8 donation of land - Teachers' Retirement System
9 Dedicated Revenue Revolving Fund - codification -
10 effective date]

11
12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

16 A. For taxable years beginning after December 31, 2007, there
17 shall be allowed a credit against the tax imposed by Section 2355 of
18 Title 68 of the Oklahoma Statutes equal to fifty percent (50%) of
19 the fair cash value of any land or interest in land located in this
20 state which is donated to a governmental entity or a private, not-
21 for-profit charitable organization or trust which is exempt from
22 taxation pursuant to the provisions of the Internal Revenue Code, 26
23 U.S.C., Section 501 (c) (3) and which is organized and operated for
24 natural resource, land conservation or historic preservation

1 purposes and is eligible to hold such land and interest for
2 conservation or preservation purposes; provided, such land or
3 interest in land shall be donated as an unconditional donation in
4 perpetuity by the taxpayer.

5 B. As used in this section:

6 1. "Conservation or preservation purposes" means a purpose
7 determined by the Oklahoma Conservation Commission to have as its
8 intended result:

9 a. open space, except open space donated for the purpose
10 of fulfilling density requirements to obtain
11 subdivision or building permits,

12 b. natural resource and/or biodiversity conservation, and

13 c. land, agricultural, watershed and/or historic
14 preservation;

15 2. "Fair cash value" means the value or price at which a
16 willing buyer would purchase property and a willing seller would
17 sell property if both parties are knowledgeable about the property
18 and its uses and if neither party is under any undue pressure to buy
19 or sell and for real property, shall mean the value for the highest
20 and best use for which such property was actually used, or was
21 previously classified for use, as determined by the county assessor
22 for the county in which such property is located;

23 3. "Interest in land" means any right in real property,
24 including access thereto or improvements thereon, or water including

1 but not limited to a fee simple, easement or conservation easement,
2 provided such interest complies with the requirements of Section 170
3 (h) of the Internal Revenue Code, partial interest, mineral right,
4 remainder of future interest, or other interest or right in real
5 property; provided, interest in land shall include the donation in
6 perpetuity of a fee interest in real property or a less-than-fee
7 interest in real property, including a conservation restriction,
8 preservation restriction, agricultural preservation restriction or
9 watershed preservation restriction if such less-than-fee interest
10 qualifies as a charitable contribution deduction pursuant to Section
11 170 (h) of the Internal Revenue Code; and

12 4. "Land" means real property, with or without improvements
13 thereon, rights of way, water and riparian rights, easements,
14 privileges and all other rights or interests of any land or
15 description in, relating to or connected with real property.

16 C. In no event shall the credit provided in subsection A of
17 this section exceed:

18 1. One Hundred Thousand Dollars (\$100,000.00) for any one
19 taxpayer; or

20 2. The amount of tax liability for the taxpayer.

21 D. Any credits allowed but not used in any tax year may be
22 carried over, in order, to each of the twenty (20) years following
23 the year of qualification.

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1 E. The credit allowed pursuant to subsection A of this section
2 but not used shall be freely transferable, by written agreement, to
3 subsequent transferees at any time during the five (5) years
4 following the year of qualification. An eligible transferee shall
5 be any taxpayer subject to the tax imposed by Section 2355 of Title
6 68 of the Oklahoma Statutes. The taxpayer originally allowed the
7 credit and the subsequent transferee shall jointly file a copy of
8 the written credit transfer agreement with the Oklahoma Tax
9 Commission within thirty (30) days of the transfer. The written
10 agreement shall contain the name, address and taxpayer
11 identification number of the parties to the transfer, the amount of
12 credit being transferred, the year the credit was originally allowed
13 to the transferring taxpayer and the tax year or years for which the
14 credit may be claimed.

15 F. The Oklahoma Tax Commission shall promulgate rules necessary
16 to implement the provisions of this act, including rules to permit
17 verification that a taxpayer is donating land or of the timeliness
18 of a tax credit claimed upon a tax return pursuant to subsection E
19 of this section but shall not promulgate any rules which unduly
20 restrict or hinder the transfers of such tax credit.

21 G. The Oklahoma Conservation Commission shall promulgate rules
22 to permit verification that a taxpayer has donated land or an
23 interest in land for conservation or preservation purposes as
24 defined in this section. A certificate of verification from the

1 Oklahoma Conservation Commission shall satisfy all requirements of
2 the Tax Commission pertaining to the eligibility of the taxpayer
3 claiming the credit.

4 H. No taxpayer who receives a tax credit pursuant to this
5 section shall be eligible to receive any other credit against the
6 tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for
7 the same donation of land or interest in land.

8 SECTION 2. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 46 of Title 62, unless there is
10 created a duplication in numbering, reads as follows:

11 A. In the event any legislation becomes effective on or after
12 January 1, 2008, which results in a reduction in funds apportioned
13 to the Teachers' Retirement System Dedicated Revenue Revolving Fund
14 pursuant to Section 1353, 1403 or 2352 of Title 68 of the Oklahoma
15 Statutes, a sum of money equal to the State Board of Equalization
16 Estimate of such reduction shall be apportioned annually by the
17 Oklahoma Tax Commission to the Teachers' Retirement System Dedicated
18 Revenue Revolving Fund from the revenues which would otherwise be
19 apportioned to the General Revenue Fund pursuant to subparagraph a
20 of paragraph 1 of Section 2352 of Title 68 of the Oklahoma Statutes.

21 B. The State Board of Equalization shall meet not later than
22 sixty days after the end of the Legislative session of determine if
23 any legislation has been enacted which will result in a reduction of
24 funds described in subsection A of this section. The State Board of

1 Equalization shall notify the Oklahoma Tax Commission in writing of
2 the amount of the reduction to the Teachers' Retirement System
3 Dedicated Revenue Revolving Fund estimated to occur as a result of
4 such legislation.

5 SECTION 3. This act shall become effective November 1, 2007.

6 Passed the Senate the 8th day of March, 2007.

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Presiding Officer of the Senate

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10 Passed the House of Representatives the ____ day of _____,

11 2007.

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Presiding Officer of the House
of Representatives

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