

THE HOUSE OF REPRESENTATIVES  
Thursday, February 28, 2008

House Bill No. 2717  
As Amended

HOUSE BILL NO. 2717 - By: AUFFET of the House and WILSON of the Senate.

( revenue and taxation - amending 68 O.S. Supp., Section 2357.100 - tax  
credits for purchase and transportation of poultry litter -  
effective date )

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

1 SECTION 1. AMENDATORY Section 1, Chapter 510, O.S.L. 2004, as amended  
2 by Section 1, Chapter 442, O.S.L. 2005 (68 O.S. Supp. 2007, Section 2357.100), is  
3 amended to read as follows:

4 Section 2357.100 A. For taxable years beginning after December 31, 2004, and  
5 ending on or before December 31, 2008, there shall be allowed a credit against the tax  
6 imposed by Section 2355 of this title for the purchase and transportation of poultry litter.  
7 Subject to the limitations provided in subsection ~~B~~ C of this section, the credit shall be  
8 available to the purchaser of the poultry litter and shall equal Five Dollars (\$5.00) per  
9 ton purchased and transported.

10 B. For taxable years beginning after December 31, 2008, and ending on or before  
11 December 31, 2013, there shall be allowed a credit against the tax imposed by Section  
12 2355 of this title for the purchase and transportation of poultry litter. Subject to the

1 limitations provided in subsection C of this section, the credit shall be available to the  
2 purchaser of the poultry litter and shall equal Ten Dollars (\$10.00) per ton purchased  
3 and transported.

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

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

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

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

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.

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

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

8           ~~D.~~ E. The credit allowed by this section shall be available to the taxpayer in the  
9 year in which the poultry litter was purchased and transported, provided the taxpayer is  
10 found by the Oklahoma Department of Agriculture, Food, and Forestry to have applied  
11 the poultry litter in a manner consistent with an Animal Waste Management Plan, as  
12 defined in Section 10-9.1 of Title 2 of the Oklahoma Statutes, specifically designed to  
13 restore and protect beneficial uses from impairment from nutrients. If the credit exceeds  
14 the amount of income taxes due or if there are no state income taxes due on the income of  
15 the taxpayer, the amount of the credit not used as an offset against the income taxes for  
16 a year may be carried forward as a credit against subsequent income tax liability for a  
17 period not to exceed five (5) years.

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

19           COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,  
20 dated 2-27-08 - DO PASS, As Amended and Coauthored.