

3 **Senate Bill No. 1171**

4 **As Amended**

5 SENATE BILL NO. 1171 - By: MAZZEI of the Senate and JACKSON of the  
6 House.

7 [ revenue and taxation - income tax credit - aerospace  
8 sector - codification - effective date ]

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

10 SECTION 1. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 2357.301 of Title 68, unless  
12 there is created a duplication in numbering, reads as follows:

13 A. As used in this section:

14 1. "Aerospace sector" means a private or public organization  
15 engaged in the manufacture of aerospace or defense hardware or  
16 software, aerospace maintenance, aerospace repair and overhaul,  
17 supply of parts to the aerospace industry, provision of services and  
18 support relating to the aerospace industry, research and development  
19 of aerospace technology and systems, and the education and training  
20 of aerospace personnel;

21 2. "Institution" means an institution within The Oklahoma State  
22 System of Higher Education or any other public or private accredited  
23 college or university that is accredited by a national accrediting  
24 body;

1           3. "Qualified employer" means a sole proprietor, general  
2 partnership, limited partnership, limited liability company,  
3 corporation or other legally recognized business entity whose  
4 principal business activity involves the aerospace sector;

5           4. "Qualified person" means any person having been awarded a  
6 baccalaureate or graduate degree from a qualified program by a  
7 public or private institution of higher education after the  
8 effective date of this act; and

9           5. "Qualified program" means a program that produces graduates  
10 from a baccalaureate degree program in engineering accredited by the  
11 Engineering Accreditation Commission of the Accreditation Board for  
12 Engineering and Technology and others as may be deemed appropriate  
13 by the Oklahoma Aeronautics Commission, provided that such other  
14 programs are accredited as set forth herein;

15           B. For taxable years beginning after December 31, 2008, and  
16 ending before January 1, 2014, there shall be allowed a credit  
17 against the tax imposed pursuant to Section 2355 of Title 68 of the  
18 Oklahoma Statutes for a qualified person employed by a qualified  
19 employer in an amount not to exceed Five Thousand Dollars  
20 (\$5,000.00) per year for the first through fifth years of such  
21 employment.

22           C. The credits authorized by this section shall not be used to  
23 reduce the tax liability of the taxpayer to less than zero (0).

1           D. Any credit authorized by this section which is not used may  
2 be carried over, in order, to each of the five (5) subsequent  
3 taxable years.

4           E. Credits which may be claimed pursuant to this section may  
5 only be claimed for the first through fifth years of employment of a  
6 qualified person, regardless of whether or not such years are  
7 consecutive or are with the same qualified employer.

8           F. The credits authorized by this section do not require a  
9 qualified person to be employed by a qualified employer for an  
10 entire calendar year in order for a credit to be claimed; however,  
11 credit may only be claimed pursuant to this section once during any  
12 taxable year with respect to a particular qualified person.

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

14 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-12-08 - DO PASS,  
15 As Amended and Coauthored.