

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 HOUSE BILL 2875

By: Shelton

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5  
6 AS INTRODUCED

7 An Act relating to revenue and taxation; enacting the  
8 New Century Land Run Act of 2008; defining terms;  
9 authorizing income tax credit for certain amounts of  
10 qualified savings; prescribing condition with respect  
11 to ownership of certain qualified single-family  
12 residence; prescribing maximum period of qualified  
13 savings; imposing limitation on savings account  
14 balance for purposes of income tax credit; requiring  
15 documentation to Oklahoma Tax Commission; providing  
16 for use of credit with respect to certain types of  
17 transactions involving first-time home ownership;  
18 prohibiting use of credit to reduce tax liability to  
19 less than prescribed amount; authorizing carryover of  
20 credit amounts; providing for codification; providing  
21 for noncodification; and providing an effective date.

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

23 SECTION 1. NEW LAW A new section of law not to be  
24 codified in the Oklahoma Statutes reads as follows:

25 This act shall be known and may be cited as the "New Century  
26 Land Run Act of 2008".

27 SECTION 2. NEW LAW A new section of law to be codified  
28 in the Oklahoma Statutes as Section 2357.601 of Title 68, unless  
29 there is created a duplication in numbering, reads as follows:

1       A. As used in this section:

2       1. "Adjusted gross income" means that amount of income subject  
3 to federal income tax computed pursuant to the provisions of the  
4 Internal Revenue Code of 1986, as amended;

5       2. "Closing costs" means expenditures for prepaid interest,  
6 whether denominated as such or as "points", surveying fees,  
7 inspection fees, fees for recordation of documents, credit history  
8 research, private mortgage insurance, real estate broker fees, or  
9 any other expense imposed upon the purchaser by the terms of the  
10 real estate purchase contract, the terms of the borrowing for the  
11 purchase money imposed by the lender of those funds, or otherwise  
12 required to be paid by the person or persons who acquire title to  
13 the qualified single-family residence;

14       3. "Down payment" means a cash amount, unencumbered in any way,  
15 required by the seller or by the lender providing purchase money to  
16 a buyer, in order to acquire a single-family residential dwelling;

17       4. "Qualified home purchase savings account" means a special  
18 savings account created by an eligible financial institution  
19 organized under the laws of the state or authorized to do business  
20 in the state and created for the purpose of accumulating funds for  
21 the down payment amount, eligible closing costs or both such payment  
22 and costs for which the credit authorized by this section is or may  
23 be available;

1 5. "Qualified savings amount" means those deposits or  
2 accumulations of interest upon deposits made to a qualified home  
3 purchase savings account pursuant to the requirements of this act;

4 6. "Qualified single family residence" means improvements to  
5 real property, regardless of whether title to such property has been  
6 previously held by any other purchaser of the residence prior to the  
7 date as of which title is acquired by an eligible taxpayer, used as  
8 the principal dwelling of the eligible taxpayer and which  
9 constitutes the first such residence to which the tax credit  
10 claimant has ever acquired title, either alone or jointly with any  
11 other owner; and

12 7. "Single-family residential dwelling" means improvements to  
13 real property suitable for occupancy as the primary residence, but  
14 shall not include an apartment, duplex, town home or any other  
15 structure that is leased by an owner to a tenant.

16 B. For taxable years beginning after December 31, 2008, there  
17 shall be allowed as a credit against the tax imposed pursuant to  
18 Section 2355 of Title 68 of the Oklahoma Statutes in the following  
19 amounts:

20 1. One hundred percent (100%) of the qualified savings amount  
21 for:

22 a. a person whose filing status is single, married filing  
23 separate return or head of household, with an adjusted  
24

1 gross income of not more than Eighteen Thousand One  
2 Hundred Seventy-four Dollars (\$18,174.00), or

3 b. married persons filing a joint return, with a combined  
4 adjusted gross income of not more than Thirty-six  
5 Thousand Three Hundred Forty-eight Dollars  
6 (\$36,348.00);

7 2. Ninety percent (90%) of the qualified savings amount for:

8 a. a person whose filing status is single, married filing  
9 separate return or head of household, with an adjusted  
10 gross income of not more than Nineteen Thousand One  
11 Hundred Seventy-four Dollars (\$19,174.00), or

12 b. married persons filing a joint return, with a combined  
13 adjusted gross income of not more than Thirty-seven  
14 Thousand Three Hundred Forty-eight Dollars  
15 (\$37,348.00);

16 3. Eighty percent (80%) of the qualified savings amount for:

17 a. a person whose filing status is single, married filing  
18 separate return or head of household, with an adjusted  
19 gross income of not more than Twenty Thousand One  
20 Hundred Seventy-four Dollars (\$20,174.00), or

21 b. married persons filing a joint return, with a combined  
22 adjusted gross income of not more than Thirty-eight  
23 Thousand Three Hundred Forty-eight Dollars  
24 (\$38,348.00);

1 4. Seventy percent (70%) of the qualified savings amount for:

2 a. a person whose filing status is single, married filing  
3 separate return or head of household, with an adjusted  
4 gross income of not more than Twenty-one Thousand One  
5 Hundred Seventy-four Dollars (\$21,174.00), or

6 b. married persons filing a joint return, with a combined  
7 adjusted gross income of not more than Thirty-nine  
8 Thousand Three Hundred Forty-eight Dollars  
9 (\$39,348.00);

10 5. Sixty percent (60%) of the qualified savings amount for:

11 a. a person whose filing status is single, married filing  
12 separate return or head of household, with an adjusted  
13 gross income of not more than Twenty-two Thousand One  
14 Hundred Seventy-four Dollars (\$22,174.00), or

15 b. married persons filing a joint return, with a combined  
16 adjusted gross income of not more than Forty Thousand  
17 Three Hundred Forty-eight Dollars (\$40,348.00);

18 6. Fifty percent (50%) of the qualified savings amount for:

19 a. a person whose filing status is single, married filing  
20 separate return or head of household, with an adjusted  
21 gross income of not more than Twenty-three Thousand  
22 One Hundred Seventy-four Dollars (\$23,174.00), or

23 b. married persons filing a joint return, with a combined  
24 adjusted gross income of not more than Forty-one

1                   Thousand Three Hundred Forty-eight Dollars

2                   (\$41,348.00);

3       7.   Forty percent (40%) of the qualified savings amount for:

4           a.   a person whose filing status is single, married filing  
5               separate return or head of household, with an adjusted  
6               gross income of not more than Twenty-four Thousand One  
7               Hundred Seventy-four Dollars (\$24,174.00), or

8           b.   married persons filing a joint return, with a combined  
9               adjusted gross income of not more than Forty-two  
10              Thousand Three Hundred Forty-eight Dollars

11             (\$42,348.00);

12       8.   Thirty percent (30%) of the qualified savings amount for:

13           a.   a person whose filing status is single, married filing  
14               separate return or head of household, with an adjusted  
15               gross income of not more than Twenty-five Thousand One  
16               Hundred Seventy-four Dollars (\$25,174.00), or

17           b.   married persons filing a joint return, with a combined  
18               adjusted gross income of not more than Forty-three  
19               Thousand Three Hundred Forty-eight Dollars

20             (\$43,348.00);

21       9.   Twenty percent (20%) of the qualified savings amount for:

22           a.   a person whose filing status is single, married filing  
23               separate return or head of household, with an adjusted

24

1 gross income of not more than Twenty-six Thousand One  
2 Hundred Seventy-four Dollars (\$26,174.00), or

3 b. married persons filing a joint return, with a combined  
4 adjusted gross income of not more than Forty-four  
5 Thousand Three Hundred Forty-eight Dollars  
6 (\$44,348.00); and

7 10. Ten percent (10%) of the qualified savings amount for:

8 a. a person whose filing status is single, married filing  
9 separate return or head of household, with an adjusted  
10 gross income of not more than Twenty-seven Thousand  
11 One Hundred Seventy-four Dollars (\$27,174.00), or

12 b. married persons filing a joint return, with a combined  
13 adjusted gross income of not more than Forty-five  
14 Thousand Three Hundred Forty-eight Dollars  
15 (\$45,348.00).

16 C. In order to be eligible for any credit amount authorized by  
17 subsection B of this section, the taxpayer shall first be required  
18 to become the owner, either alone or in joint tenancy, of a  
19 qualified single-family residence which ownership shall be  
20 documented by a valid conveyance consisting of a deed, warranty  
21 deed, special warranty deed, quitclaim deed, or any other conveyance  
22 by a grantor or a person acting with lawful authority with respect  
23 to the title to the real property described in the conveyance.  
24

1 D. The maximum period of time that a taxpayer may accumulate  
2 funds in a qualified home purchase savings account shall be seven  
3 (7) years ending on December 31 of the seventh calendar year  
4 following the date of the opening of the account, inclusive of the  
5 calendar year during which the account is first established.

6 E. The maximum qualified home purchase savings account balance  
7 for which any credit otherwise authorized by this section may be  
8 claimed shall not exceed Ten Thousand Dollars (\$10,000.00),  
9 including any accumulated interest paid.

10 F. The taxpayer shall be required to provide adequate  
11 documentation to the Oklahoma Tax Commission that the qualified home  
12 purchase savings account balance, subject to the maximum prescribed  
13 by subsection E of this section, was used to make a required down  
14 payment or was used to pay for an eligible closing cost incurred by  
15 the taxpayer as a contractual or other requirement in connection  
16 with acquiring title to a qualified single-family residence.

17 G. The credit authorized by this section shall be available to  
18 a taxpayer who has acquired title to a single-family residential  
19 dwelling located in this state for the first time regardless of the  
20 terms of the financing to acquire the eligible home. The credit  
21 authorized by this section shall be available even if the purchaser  
22 is borrowing one hundred percent (100%) of the purchase money for  
23 the single-family residential dwelling.

1 H. The credit authorized by subsection B of this section shall  
2 not be used to reduce the income tax liability of the taxpayer to  
3 less than zero (0).

4 I. To the extent not used, the credit authorized by this  
5 section may be carried over, in order, to each of the ten (10)  
6 subsequent taxable years.

7 SECTION 3. This act shall become effective January 1, 2009.

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