

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 2940

By: Nations

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5  
6 AS INTRODUCED

7 An Act relating to revenue and taxation; creating tax  
8 credit for certain school loans; requiring residency;  
9 providing eligibility requirements; mandating schools  
10 to provide certain information; limiting credit;  
11 providing for carryover; defining term; providing for  
12 codification; and providing an effective date.

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

14 SECTION 1. NEW LAW A new section of law to be codified  
15 in the Oklahoma Statutes as Section 2357.900 of Title 68, unless  
16 there is created a duplication in numbering, reads as follows:

17 A. For taxable years beginning after December 31, 2008, there  
18 shall be allowed against the tax imposed by Section 2355 of Title 68  
19 of the Oklahoma Statutes, a credit equal to the amount paid a  
20 resident individual for the repayment of principal or interest or  
21 both of indebtedness incurred for the cost of the individual to  
22 attend an accredited four-year college or university in this state.  
23 The participant may claim the credit based only on loan payments  
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1 made during months in which the individual was working for an  
2 employer located in this state.

3 B. An individual shall only be eligible for the credit provided  
4 in subsection A of this section if the person has received an  
5 undergraduate or graduate degree from an accredited four-year  
6 college or university.

7 C. In no event shall the amount of the credit provided for in  
8 subsection A of this section for an individual exceed Five Thousand  
9 Dollars (\$5,000.00) per taxable year.

10 D. Every accredited college and university in this state shall  
11 provide any information requested by the Oklahoma Tax Commission for  
12 use in administering this credit.

13 E. The credit may not reduce the tax liability of the taxpayer  
14 to less than zero (0).

15 F. If the amount of an income tax credit allowed pursuant to  
16 the provisions of this section exceeds the amount of income taxes  
17 due for the year in which the credit is granted, the amount of the  
18 credit not used may be carried forward for a period not to exceed  
19 ten (10) years.

20 G. For the purposes of this section, "indebtedness" shall  
21 include a guaranteed student loan, a loan extended by a private  
22 financial institution or other form of credit for which the credit  
23 claimant is legally obligated to repayment and is used to pay for  
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1 the costs of tuition, books and supplies to attend an accredited  
2 four-year college or university.

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

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