

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 HOUSE BILL 2131

By: Shelton

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5  
6 AS INTRODUCED

7 An Act relating to revenue and taxation; enacting the  
8 Oklahoma Main Street Development Act; providing tax  
9 credit for ad valorem taxes attributable to certain  
10 assets located on certified Oklahoma Main Streets;  
11 defining terms; specifying amount of credit claimable  
12 against ad valorem taxes; authorizing tax credit;  
13 specifying taxes against which credit may be claimed;  
14 defining terms; specifying amount of credit  
15 claimable; prohibiting use of credit to reduce tax  
16 liability to less than certain amount; authorizing  
17 carryover; providing for codification; providing for  
18 noncodification; and providing an effective date.

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

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

22 This act shall be known and may be cited as the "Oklahoma Main  
23 Street Development Act".

24 SECTION 2. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 4002 of Title 68, unless there  
is created a duplication in numbering, reads as follows:

A. As used in this section:

1           1. "Main Street" means an area located within an incorporated  
2 city or town certified or designated by the Oklahoma Department of  
3 Commerce pursuant to the Oklahoma Main Street program;

4           2. "New direct job" means employment of a person on a full-time  
5 basis;

6           3. "Qualifying acquisition" means:

7           a. purchase of real property, located in an area  
8           designated as a Main Street by the Oklahoma Department  
9           of Commerce, upon which improvements are either  
10           already located or are constructed upon such acquired  
11           real property for the first time by a business entity  
12           after the real property is acquired, or

13           b. rehabilitation or renovation of existing improvements  
14           located on real property, located in an area  
15           designated as a Main Street by the Oklahoma Department  
16           of Commerce, acquired by a business entity;

17           4. "Qualifying expansion" means the modification of  
18 improvements to real property owned by a business entity which has  
19 either:

20           a. owned or occupied such real property for a period of  
21           at least one (1) year prior to the date of the  
22           expansion if the real property was located on a Main  
23           Street for the entirety of such one-year period, or  
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1           b.    owned or occupied such real property for a period of  
2                   at least six (6) months after the date as of which the  
3                   real property which it owns or occupies is designated  
4                   as a Main Street; and

5           5.    "Qualified business" means any lawfully recognized business  
6   entity conducting a lawful business activity and which hires at  
7   least two full-time employees within twenty-four (24) months of the  
8   qualifying acquisition or qualifying expansion.

9           B.    For assessment years beginning on or after January 1, 2010,  
10   there shall be allowed a credit against the locally imposed ad  
11   valorem taxes of a qualified business that makes a qualifying  
12   acquisition or conducts a qualifying expansion.

13          C.    The credit authorized by this section shall be in the  
14   following amounts:

15          1.    Fifty-two percent (52%) of the tax liability resulting from  
16   a qualifying acquisition or qualifying expansion for the first  
17   assessment year following completion of the new construction or  
18   expansion;

19          2.    Thirty-nine percent (39%) of the tax liability resulting  
20   from a qualifying acquisition or qualifying expansion for the second  
21   assessment year following completion of the new construction or  
22   expansion; and

23          3.    Twenty-six percent (26%) of the tax liability resulting from  
24   a qualifying acquisition or qualifying expansion for the third and

1 subsequent assessment years following completion of the new  
2 construction or expansion.

3 SECTION 3. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 2357.401 of Title 68, unless  
5 there is created a duplication in numbering, reads as follows:

6 A. As used in this section:

7 1. "Main Street" means an area located within an incorporated  
8 city or town certified or designated by the Oklahoma Department of  
9 Commerce pursuant to the Oklahoma Main Street program;

10 2. "New direct job" means employment of a person on a full-time  
11 basis;

12 3. "Qualifying acquisition" means:

13 a. purchase of real property, located in an area  
14 designated as a Main Street by the Oklahoma Department  
15 of Commerce, upon which improvements are either  
16 already located or are constructed upon such acquired  
17 real property for the first time by a business entity  
18 after the real property is acquired, or

19 b. rehabilitation or renovation of existing improvements  
20 located on real property, located in an area  
21 designated as a Main Street by the Oklahoma Department  
22 of Commerce, acquired by a business entity;

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1 4. "Qualifying expansion" means the modification of  
2 improvements to real property owned by a business entity which has  
3 either:

4 a. owned or occupied such real property for a period of  
5 at least one (1) year prior to the date of the  
6 expansion if the real property was located on a Main  
7 Street for the entirety of such one-year period, or

8 b. owned or occupied such real property for a period of  
9 at least six (6) months after the date as of which the  
10 real property which it owns or occupies is designated  
11 as a Main Street;

12 5. "Qualified business" means any lawfully recognized business  
13 entity conducting a lawful business activity and which hires at  
14 least two full-time employees within twenty-four (24) months of the  
15 qualifying acquisition or qualifying expansion.

16 B. For taxable years beginning after December 31, 2009, there  
17 shall be allowed as a credit against the tax imposed by Section 2355  
18 of Title 68 of the Oklahoma Statutes, Section 2370 of Title 68 of  
19 the Oklahoma Statutes or by Section 624 or 628 of Title 36 of the  
20 Oklahoma Statutes in the following amounts:

21 1. Twenty-eight percent (28%) of the tax liability resulting  
22 from a qualifying acquisition or qualifying expansion for the first  
23 assessment year following completion of the new construction or  
24 expansion;

1           2. Twenty-one percent (21%) of the tax liability resulting from  
2 a qualifying acquisition or qualifying expansion for the second  
3 assessment year following completion of the new construction or  
4 expansion; and

5           3. Fourteen percent (14%) of the tax liability resulting from a  
6 qualifying acquisition or qualifying expansion for the third and  
7 subsequent assessment years following completion of the new  
8 construction or expansion.

9           C. The credit authorized by this section may not be used to  
10 reduce the tax liability of the taxpayer to less than zero (0).

11           D. To the extent not used, the credit authorized by this  
12 section may be carried over, in order, to each of the five (5)  
13 succeeding taxable years.

14           SECTION 4. This act shall become effective January 1, 2010.

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