

1 STATE OF OKLAHOMA

2 1st Session of the 53rd Legislature (2011)

3 SUBCOMMITTEE RECOMMENDATION
4 FOR

5 HOUSE BILL NO. 1008

6 By: McNeil

7 SUBCOMMITTEE RECOMMENDATION

8 An Act relating to revenue and taxation; amending
9 Sections 2, 3 and 4, Chapter 417, O.S.L. 2008, as
10 amended by Sections 26, 27 and 28, Chapter 327,
11 O.S.L. 2010 (68 O.S. Supp. 2010, Sections 2357.302,
12 2357.303 and 2357.304), which relate to income tax
credits; modifying reference to certain taxable
13 years; modifying the time period during which certain
14 tax credits may be claimed; providing an effective
15 date; and declaring an emergency.

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

17 SECTION 1. AMENDATORY Section 2, Chapter 417, O.S.L.
18 2008, as amended by Section 26, Chapter 327, O.S.L. 2010 (68 O.S.
19 Supp. 2010, Section 2357.302), is amended to read as follows:

20 Section 2357.302 A. Except as provided in subsection F of this
21 section, for taxable years beginning after December 31, 2008, and
22 ending before January 1, 2015, a qualified employer shall be allowed
23 a credit against the tax imposed pursuant to Section 2355 of ~~Title~~
24 ~~68 of the Oklahoma Statutes~~ this title for tuition reimbursed to a
qualified employee.

1 B. The credit authorized by subsection A of this section may be
2 claimed only if the qualified employee has been awarded an
3 undergraduate or graduate degree within one (1) year of commencing
4 employment with the qualified employer.

5 C. The credit authorized by subsection A of this section shall
6 be in the amount of fifty percent (50%) of the tuition reimbursed to
7 a qualified employee for the first through fourth years of
8 employment. In no event shall this credit exceed fifty percent
9 (50%) of the average annual amount paid by a qualified employee for
10 enrollment and instruction in a qualified program at a public
11 institution in Oklahoma.

12 D. The credit authorized by subsection A of this section shall
13 not be used to reduce the tax liability of the qualified employer to
14 less than zero (0).

15 E. No credit authorized by this section shall be claimed after
16 the fourth year of employment.

17 F. No credit otherwise authorized by the provisions of this
18 section may be claimed for any event, transaction, investment,
19 expenditure or other act occurring on or after July 1, 2010, for
20 which the credit would otherwise be allowable. The provisions of
21 this subsection shall cease to be operative on ~~July 1, 2012~~ July 1,
22 2011. Beginning ~~July 1, 2012~~ July 1, 2011, the credit authorized by
23 this section may be claimed for any event, transaction, investment,
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1 expenditure or other act occurring on or after ~~July 1, 2012~~ July 1,
2 2011, according to the provisions of this section.

3 SECTION 2. AMENDATORY Section 3, Chapter 417, O.S.L.
4 2008, as amended by Section 27, Chapter 327, O.S.L. 2010 (68 O.S.
5 Supp. 2010, Section 2357.303), is amended to read as follows:

6 Section 2357.303 A. Except as provided in subsection F of this
7 section, for taxable years beginning after December 31, 2008, and
8 ending before January 1, 2015, a qualified employer shall be allowed
9 a credit against the tax imposed pursuant to Section 2355 of ~~Title~~
10 ~~68 of the Oklahoma Statutes~~ this title for compensation paid to a
11 qualified employee.

12 B. The credit authorized by subsection A of this section shall
13 be in the amount of:

14 1. Ten percent (10%) of the compensation paid for the first
15 through fifth years of employment in the aerospace sector if the
16 qualified employee graduated from an institution located in this
17 state; or

18 2. Five percent (5%) of the compensation paid for the first
19 through fifth years of employment in the aerospace sector if the
20 qualified employee graduated from an institution located outside
21 this state.

22 C. The credit authorized by this section shall not exceed
23 Twelve Thousand Five Hundred Dollars (\$12,500.00) for each qualified
24 employee annually.

1 D. The credit authorized by this section shall not be used to
2 reduce the tax liability of the qualified employer to less than zero
3 (0).

4 E. No credit authorized pursuant to this section shall be
5 claimed after the fifth year of employment.

6 F. No credit otherwise authorized by the provisions of this
7 section may be claimed for any event, transaction, investment,
8 expenditure or other act occurring on or after July 1, 2010, for
9 which the credit would otherwise be allowable. The provisions of
10 this subsection shall cease to be operative on ~~July 1, 2012~~ July 1,
11 2011. Beginning ~~July 1, 2012~~ July 1, 2011, the credit authorized by
12 this section may be claimed for any event, transaction, investment,
13 expenditure or other act occurring on or after ~~July 1, 2012~~ July 1,
14 2011, according to the provisions of this section.

15 SECTION 3. AMENDATORY Section 4, Chapter 417, O.S.L.
16 2008, as amended by Section 28, Chapter 327, O.S.L. 2010 (68 O.S.
17 Supp. 2010, Section 2357.304), is amended to read as follows:

18 Section 2357.304 A. Except as provided in subsection D of this
19 section, for taxable years beginning after December 31, 2008, and
20 ending before January 1, 2015, a qualified employee shall be allowed
21 a credit against the tax imposed pursuant to Section 2355 of ~~Title~~
22 ~~68 of the Oklahoma Statutes~~ this title of up to Five Thousand
23 Dollars (\$5,000.00) per year for a period of time not to exceed five
24 (5) years.

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

3 C. Any credit claimed, but not used, may be carried over, in
4 order, to each of the five (5) subsequent taxable years.

5 D. No credit otherwise authorized by the provisions of this
6 section may be claimed for any event, transaction, investment,
7 expenditure or other act occurring on or after July 1, 2010, for
8 which the credit would otherwise be allowable. The provisions of
9 this subsection shall cease to be operative on ~~July 1, 2012~~ July 1,
10 2011. Beginning ~~July 1, 2012~~ July 1, 2011, the credit authorized by
11 this section may be claimed for any event, transaction, investment,
12 expenditure or other act occurring on or after ~~July 1, 2012~~ July 1,
13 2011, according to the provisions of this section.

14 SECTION 4. This act shall become effective July 1, 2011.

15 SECTION 5. It being immediately necessary for the preservation
16 of the public peace, health and safety, an emergency is hereby
17 declared to exist, by reason whereof this act shall take effect and
18 be in full force from and after its passage and approval.

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