

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 2978

By: Dank

6  
7 COMMITTEE SUBSTITUTE

8 [ revenue and taxation - allowing identification of  
9 certain persons - requiring creation or retention  
10 of jobs - tax credit - termination date - prior  
11 approval of certain activity - requiring audits by  
12 the State Auditor and Inspector - fiscal impact -  
13 effective -

14 emergency ]

15  
16  
17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18 SECTION 1. NEW LAW A new section of law to be codified  
19 in the Oklahoma Statutes as Section 2357.501 of Title 68, unless  
20 there is created a duplication in numbering, reads as follows:

21 A. As used in this section, "tax credit" means a method by  
22 which a person or entity may reduce any state tax liability pursuant  
23 to a statutory authorization allowing the tax to be reduced either  
24 by a percentage or a specific dollar amount after the applicable tax

1 rate amount has been multiplied by the applicable tax base amount  
2 and which results in a net tax liability after the tax credit amount  
3 has been subtracted from a gross tax liability amount.

4 B. Any measure providing for a tax credit shall contain  
5 provisions pursuant to which any member of the public can determine  
6 the identity of any person or entity that benefits from the tax  
7 credit after it has been claimed upon a tax return.

8 C. Any tax credit shall provide for the creation of new jobs or  
9 the retention of existing jobs within the State of Oklahoma.

10 D. With respect to each fiscal year of the state, any tax  
11 credit shall be limited based upon the total amount of credits that  
12 may be claimed by one taxpaying entity or based upon the total  
13 amount of credits that may be claimed by all taxpaying entities or  
14 both such limitations.

15 E. Any tax credit passed by the Legislature shall contain a  
16 date certain for the termination of the provisions authorizing the  
17 credit.

18 F. No economic activity that qualifies for a tax credit may  
19 occur without the project costs receiving prior approval by a state  
20 governmental entity to be designated pursuant to law enacted by the  
21 Legislature.

22 G. Transactions for which a tax credit has been authorized and  
23 which result in a reduction or potential reduction of state revenue  
24 shall be audited by the State Auditor and Inspector.

1 H. No measure containing a tax credit shall receive final  
2 passage by either chamber of the Legislature unless a detailed  
3 fiscal impact analyzing the effect of the tax credit on state  
4 revenue and upon the economy of the state is prepared. Such impact  
5 statement shall be made available to each member of the applicable  
6 chamber at least twenty-four (24) hours prior to the occurrence of  
7 the vote upon final passage of the measure.

8 I. No measure containing a tax credit shall be considered  
9 during the last five (5) days of a regular or extraordinary session  
10 of the Legislature.

11 SECTION 2. This act shall become effective July 1, 2012.

12 SECTION 3. It being immediately necessary for the preservation  
13 of the public peace, health and safety, an emergency is hereby  
14 declared to exist, by reason whereof this act shall take effect and  
15 be in full force from and after its passage and approval.

16

17 53-2-9934 CJB 03/01/12

18

19

20

21

22

23

24