

1 ENGROSSED HOUSE
2 BILL NO. 1284

By: Dank and Pittman of the
House

3 and

4 Mazzei of the Senate
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7 An Act relating to revenue and taxation; requiring
8 certain reports to the Oklahoma Tax Commission and
9 the State Insurance Department with respect to
10 certain state tax credits; requiring compilation of
11 report by Tax Commission and Insurance Department;
12 requiring submission of report; prescribing content
13 and format of report; requiring revenue estimate;
14 requiring Oklahoma Tax Commission or Insurance
15 Department to disallow tax credits for failure to
16 report pursuant to requirement; providing for
17 recomputation of tax liability; providing for penalty
18 and interest; excluding certain credits from
19 requirements; providing for codification; providing
20 an effective date; and declaring an emergency.

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

22 SECTION 1. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 2357.1A-1 of Title 68, unless
24 there is created a duplication in numbering, reads as follows:

A. Notwithstanding any other provision of law, any tax credit
authorized pursuant to the provisions of Title 68 of the Oklahoma
Statutes, except as provided in this section, shall be reported to
the Oklahoma Tax Commission and any tax credit authorized pursuant
to the provisions of Title 36 of the Oklahoma Statutes shall be

1 reported to the Oklahoma Insurance Department as provided in
2 subsection B of this section.

3 B. The tax credit shall be reported to the Tax Commission or
4 Insurance Department on or before the twentieth day of the month
5 after the calendar quarter in which an act occurs which allows the
6 tax credit to eventually be claimed. The report to the Tax
7 Commission or to the Insurance Department shall be on such form as
8 the Commission or Department may prescribe, but shall include the
9 tax type, the amount of the credit, the statutory or other legal
10 authority which forms the basis for the credit, and other
11 information that may be required by the Tax Commission or the
12 Insurance Department. In the report due on or before January 20
13 each year, the report shall contain whether the credit will or may
14 be allocated by a pass-through entity to one or more of the
15 shareholders, partners or members of the pass-through entity, the
16 names of the shareholders, partners or members of the pass-through
17 entity to whom the credit was allocated, if the credit is
18 transferable, whether the credit will or may be transferred to
19 another taxpayer; and the names of the taxpayers to whom the credit
20 is transferred. The Tax Commission and the Insurance Department
21 shall be authorized to require the report to be filed
22 electronically.

23 C. Notwithstanding the provisions of Section 205 of Title 68 of
24 the Oklahoma Statutes the Tax Commission and the Insurance

1 Department shall compile a list of all tax credits reported as
2 required by this section and shall provide the list to the Governor,
3 the Speaker of the Oklahoma House of Representatives, the President
4 Pro Tempore of the State Senate and the Director of the Office of
5 State Finance not later than the last working day of February each
6 year.

7 D. The compiled list shall identify the tax credits reported
8 pursuant to subsection A of this section and shall separately
9 identify the amount of tax credits that may be claimed against each
10 separate state tax under the jurisdiction of the administering
11 agency and the name of the entity that will be claiming the credit.

12 E. To the extent possible, the Tax Commission and the Insurance
13 Department shall make an estimate of the revenue impact to the State
14 of Oklahoma resulting from the credits reported on a separate fiscal
15 year by fiscal year basis. Each agency shall make its estimate only
16 for tax credits under the jurisdiction of each administering agency.

17 F. If a taxpayer claims a credit on any state tax return that
18 was not previously reported to the Tax Commission or Insurance
19 Department pursuant to this section, the Tax Commission or Insurance
20 Department shall disallow the credit and recompute the applicable
21 tax liability including any penalty or interest.

22 G. This section shall not be applicable to the following tax
23 credits:

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1 1. The sales tax relief credit authorized by Section 5011 of
2 Title 68 of the Oklahoma Statutes;

3 2. The low income property tax relief credit authorized by
4 Section 2907 of Title 68 of the Oklahoma Statutes;

5 3. The earned income tax credit authorized by Section 2357.43
6 of Title 68 of the Oklahoma Statutes;

7 4. The child care/child tax credit authorized by Section 2357
8 of Title 68 of the Oklahoma Statutes;

9 5. The credit for taxes paid to another state authorized by
10 Section 2357 of Title 68 of the Oklahoma Statutes; and

11 6. The credit for property taxes paid on tornado damaged
12 residential property authorized by Section 2357.29 of Title 68 of
13 the Oklahoma Statutes.

14 SECTION 2. This act shall become effective July 1, 2011.

15 SECTION 3. 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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1 Passed the House of Representatives the 15th day of March, 2011.

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4 Presiding Officer of the House of
Representatives
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6 Passed the Senate the ____ day of _____, 2011.

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9 Presiding Officer of the Senate
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