

1 ENGROSSED HOUSE
2 BILL NO. 2978

By: Dank and Pittman of the
House

3 and

4 Mazzei of the Senate

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

13 emergency)

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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.

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1 Passed the House of Representatives the 14th day of March, 2012.

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4 Presiding Officer of the House of
Representatives

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6 Passed the Senate the ____ day of _____, 2012.

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9 Presiding Officer of the Senate