

1 ENGROSSED SENATE
2 BILL NO. 3

By: Mazzei and Holt of the
Senate

3 and

4 McNeil of the House

5
6
7 [income tax - income tax credits - modifying time
8 period during which credits may be claimed -
9 repealer - effective date -
10 emergency]

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

12 SECTION 1. AMENDATORY Section 2, Chapter 417, O.S.L.
13 2008, as amended by Section 26, Chapter 327, O.S.L. 2010 (68 O.S.
14 Supp. 2010, Section 2357.302), is amended to read as follows:

15 Section 2357.302 A. Except as provided in subsection F of this
16 section, for taxable years beginning after December 31, 2008, and
17 ending before January 1, 2015, a qualified employer shall be allowed
18 a credit against the tax imposed pursuant to Section 2355 of ~~Title~~
19 ~~68 of the Oklahoma Statutes~~ this title for tuition reimbursed to a
20 qualified employee.

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

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

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

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

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

22 SECTION 2. AMENDATORY Section 3, Chapter 417, O.S.L.
23 2008, as amended by Section 27, Chapter 327, O.S.L. 2010 (68 O.S.
24 Supp. 2010, Section 2357.303), is amended to read as follows:

1 Section 2357.303 A. Except as provided in subsection F of this
2 section, for taxable years beginning after December 31, 2008, and
3 ending before January 1, 2015, a qualified employer shall be allowed
4 a credit against the tax imposed pursuant to Section 2355 of ~~Title~~
5 ~~68 of the Oklahoma Statutes~~ this title for compensation paid to a
6 qualified employee.

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

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

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

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

20 D. The credit authorized by this section shall not be used to
21 reduce the tax liability of the qualified employer to less than zero
22 (0).

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

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

10 SECTION 3. AMENDATORY Section 4, Chapter 417, O.S.L.
11 2008, as amended by Section 28, Chapter 327, O.S.L. 2010 (68 O.S.
12 Supp. 2010, Section 2357.304), is amended to read as follows:

13 Section 2357.304 A. Except as provided in subsection D of this
14 section, for taxable years beginning after December 31, 2008, and
15 ending before January 1, 2015, a qualified employee shall be allowed
16 a credit against the tax imposed pursuant to Section 2355 of ~~Title~~
17 ~~68 of the Oklahoma Statutes~~ this title of up to Five Thousand
18 Dollars (\$5,000.00) per year for a period of time not to exceed five
19 (5) years.

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

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

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

10 SECTION 4. REPEALER 68 O.S. 2001, Section 2355, as last
11 amended by Section 7, Chapter 136, O.S.L. 2007 (68 O.S. Supp. 2010,
12 Section 2355), is hereby repealed.

13 SECTION 5. This act shall become effective July 1, 2011.

14 SECTION 6. It being immediately necessary for the preservation
15 of the public peace, health and safety, an emergency is hereby
16 declared to exist, by reason whereof this act shall take effect and
17 be in full force from and after its passage and approval.

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1 Passed the Senate the 2nd day of March, 2011.

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3 _____
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2011.

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8 _____
9 Presiding Officer of the House
10 of Representatives