

An Act

ENROLLED HOUSE
BILL NO. 1284

By: Dank, Pittman, Hoskin,
Sherrer, Lockhart, Hilliard
and Tibbs of the House

and

Mazzei of the Senate

An Act relating to revenue and taxation; requiring certain reports to the Oklahoma Tax Commission and the State Insurance Department with respect to certain state tax credits; requiring compilation of report by Tax Commission and Insurance Department; requiring submission of report; prescribing content and format of report; requiring revenue estimate; requiring Oklahoma Tax Commission or Insurance Department to disallow tax credits for failure to report pursuant to requirement; providing for recomputation of tax liability; providing for penalty and interest; providing for allowance of credits based upon filing of report; excluding certain credits from requirements; providing for codification; providing an effective date; and declaring an emergency.

SUBJECT: Revenue and taxation

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

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

A. Notwithstanding any other provision of law, the transfer or allocation of 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 reported to the Oklahoma Insurance Department as provided in subsection B of this section.

B. The transfer or allocation of any tax credit shall be reported to the Tax Commission or Insurance Department by the entity transferring or allocating the credit on or before the twentieth day of the second month after the tax year in which an act occurs which allows the tax credit to eventually be claimed. If the credit is transferable, the report shall state whether the credit will or may be transferred to another taxpayer and the names of the taxpayers to whom the credit is transferred. The report shall also provide whether the credit will or may be allocated by a pass-through entity to one or more of the shareholders, partners or members of the pass-through entity and the identity of the shareholders, partners or members of the pass-through entity to whom the credit was allocated. Further, the report shall include the tax type, the amount of the credit, the statutory or other legal authority which forms the basis for the credit, and other information that may be required by the Tax Commission or the Insurance Department. The report to the Tax Commission or to the Insurance Department shall be on such form as the Commission or Department may prescribe. The Tax Commission and the Insurance Department shall be authorized to require the report to be filed electronically.

C. Notwithstanding the provisions of Section 205 of Title 68 of the Oklahoma Statutes the Tax Commission and the Insurance Department shall compile a list of all tax credits reported as required by this section and shall provide the list to the Governor, the Speaker of the Oklahoma House of Representatives, the President Pro Tempore of the State Senate and the Director of the Office of State Finance not later than June 1 of each year. Not later than five (5) working days after the report has been provided to the Governor, the Speaker of the Oklahoma House of Representatives and the President Pro Tempore of the State Senate, the Oklahoma Tax Commission shall publish the report on its website.

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

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

F. If a taxpayer claims a credit on any state tax return that was not previously reported to the Tax Commission or Insurance Department pursuant to this section, the Tax Commission or Insurance Department shall disallow the credit and recompute the applicable tax liability including any penalty or interest; provided, upon the filing of the report required by this section, the credit shall be allowed.

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

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

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

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

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

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

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

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

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

Passed the House of Representatives the 18th day of May, 2011.

Presiding Officer of the House of
Representatives

Passed the Senate the 19th day of May, 2011.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Governor this _____
day of _____, 20____,
at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma the _____ day of
_____, 20____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this _____
_____ day of _____, 20____,
at _____ o'clock _____ M.

By: _____