

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   1st Session of the 53rd Legislature (2011)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 1008

By: McNiell, Jackson and Pittman  
of the House

and

Mazzei of the Senate

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10                                   COMMITTEE SUBSTITUTE

11                   An Act relating to revenue and taxation; amending  
12 Sections 2, 3 and 4, Chapter 417, O.S.L. 2008, as  
13 amended by Sections 26, 27 and 28, Chapter 327,  
14 O.S.L. 2010 (68 O.S. Supp. 2010, Sections 2357.302,  
15 2357.303 and 2357.304), which relate to income tax  
16 credits; modifying reference to certain taxable  
17 years; modifying the time period during which certain  
18 tax credits may be claimed; providing an effective  
19 date; and declaring an emergency.

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

21                   SECTION 1.           AMENDATORY           Section 2, Chapter 417, O.S.L.  
22 2008, as amended by Section 26, Chapter 327, O.S.L. 2010 (68 O.S.  
23 Supp. 2010, Section 2357.302), is amended to read as follows:  
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1 Section 2357.302 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 tuition reimbursed to a  
6 qualified employee.

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

11 C. The credit authorized by subsection A of this section shall  
12 be in the amount of fifty percent (50%) of the tuition reimbursed to  
13 a qualified employee for the first through fourth years of  
14 employment. In no event shall this credit exceed fifty percent  
15 (50%) of the average annual amount paid by a qualified employee for  
16 enrollment and instruction in a qualified program at a public  
17 institution in Oklahoma.

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

21 E. No credit authorized by this section shall be claimed after  
22 the fourth 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 2. AMENDATORY Section 3, Chapter 417, O.S.L.  
11 2008, as amended by Section 27, Chapter 327, O.S.L. 2010 (68 O.S.  
12 Supp. 2010, Section 2357.303), is amended to read as follows:

13 Section 2357.303 A. Except as provided in subsection F of this  
14 section, for taxable years beginning after December 31, 2008, and  
15 ending before January 1, 2015, a qualified employer shall be allowed  
16 a credit against the tax imposed pursuant to Section 2355 of ~~Title~~  
17 ~~68 of the Oklahoma Statutes~~ this title for compensation paid to a  
18 qualified employee.

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

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

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

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

10 D. The credit authorized by this section shall not be used to  
11 reduce the tax liability of the qualified employer to less than zero  
12 (0).

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

15 F. No credit otherwise authorized by the provisions of this  
16 section may be claimed for any event, transaction, investment,  
17 expenditure or other act occurring on or after July 1, 2010, for  
18 which the credit would otherwise be allowable. The provisions of  
19 this subsection shall cease to be operative on ~~July 1, 2012~~ July 1,  
20 2011. Beginning ~~July 1, 2012~~ July 1, 2011, the credit authorized by  
21 this section may be claimed for any event, transaction, investment,  
22 expenditure or other act occurring on or after ~~July 1, 2012~~ July 1,  
23 2011, according to the provisions of this section.

1 SECTION 3. AMENDATORY Section 4, Chapter 417, O.S.L.  
2 2008, as amended by Section 28, Chapter 327, O.S.L. 2010 (68 O.S.  
3 Supp. 2010, Section 2357.304), is amended to read as follows:

4 Section 2357.304 A. Except as provided in subsection D of this  
5 section, for taxable years beginning after December 31, 2008, and  
6 ending before January 1, 2015, a qualified employee shall be allowed  
7 a credit against the tax imposed pursuant to Section 2355 of ~~Title~~  
8 ~~68 of the Oklahoma Statutes~~ this title of up to Five Thousand  
9 Dollars (\$5,000.00) per year for a period of time not to exceed five  
10 (5) years.

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

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

15 D. No credit otherwise authorized by the provisions of this  
16 section may be claimed for any event, transaction, investment,  
17 expenditure or other act occurring on or after July 1, 2010, for  
18 which the credit would otherwise be allowable. The provisions of  
19 this subsection shall cease to be operative on ~~July 1, 2012~~ July 1,  
20 2011. Beginning ~~July 1, 2012~~ July 1, 2011, the credit authorized by  
21 this section may be claimed for any event, transaction, investment,  
22 expenditure or other act occurring on or after ~~July 1, 2012~~ July 1,  
23 2011, according to the provisions of this section.

1 SECTION 4. This act shall become effective July 1, 2011.

2 SECTION 5. It being immediately necessary for the preservation  
3 of the public peace, health and safety, an emergency is hereby  
4 declared to exist, by reason whereof this act shall take effect and  
5 be in full force from and after its passage and approval.

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7 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
8 03-03-2011 - DO PASS, As Amended and Coauthored.

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