HOUSE OF REPRESENTATIVES - FLOOR VERSION

STATE OF OKLAHOMA

2nd Session of the 53rd Legislature (2012)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 2978

By: Dank and Pittman of the House

and

Mazzei of the Senate

COMMITTEE SUBSTITUTE

[revenue and taxation - allowing identification of certain persons - requiring creation or retention of jobs - tax credit - termination date - prior approval of certain activity - requiring audits by the State Auditor and Inspector - fiscal impact - effective - emergency]

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 2357.501 of Title 68, unless there is created a duplication in numbering, reads as follows:

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

A. As used in this section, "tax credit" means a method by which a person or entity may reduce any state tax liability pursuant to a statutory authorization allowing the tax to be reduced either by a percentage or a specific dollar amount after the applicable tax rate amount has been multiplied by the applicable tax base amount and which results in a net tax liability after the tax credit amount has been subtracted from a gross tax liability amount.

B. Any measure providing for a tax credit shall contain provisions pursuant to which any member of the public can determine the identity of any person or entity that benefits from the tax credit after it has been claimed upon a tax return.

C. Any tax credit shall provide for the creation of new jobs or the retention of existing jobs within the State of Oklahoma.

D. With respect to each fiscal year of the state, any tax credit shall be limited based upon the total amount of credits that may be claimed by one taxpaying entity or based upon the total amount of credits that may be claimed by all taxpaying entities or both such limitations.

E. Any tax credit passed by the Legislature shall contain a date certain for the termination of the provisions authorizing the credit.

F. No economic activity that qualifies for a tax credit may occur without the project costs receiving prior approval by a state

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governmental entity to be designated pursuant to law enacted by the Legislature.

G. Transactions for which a tax credit has been authorized and which result in a reduction or potential reduction of state revenue shall be audited by the State Auditor and Inspector.

H. No measure containing a tax credit shall receive final passage by either chamber of the Legislature unless a detailed fiscal impact analyzing the effect of the tax credit on state revenue and upon the economy of the state is prepared. Such impact statement shall be made available to each member of the applicable chamber at least twenty-four (24) hours prior to the occurrence of the vote upon final passage of the measure.

I. No measure containing a tax credit shall be considered during the last five (5) days of a regular or extraordinary session of the Legislature.

SECTION 2. This act shall become effective July 1, 2012.

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.

COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated 03/01/2012 - DO PASS, As Amended and Coauthored.

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