

1 **SENATE FLOOR VERSION**

2 February 15, 2011

3 As Amended

4 SENATE BILL NO. 3

5 By: Mazzei of the Senate

6 and

7 McNiel of the House

8 [income tax - income tax credits - modifying time
9 period during which credits may be claimed -
effective date -

10 emergency]

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

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

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

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

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

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

13 E. No credit authorized by this section shall be claimed after
14 the fourth 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.

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

4 Section 2357.303 A. Except as provided in subsection F of this
5 section, for taxable years beginning after December 31, 2008, and
6 ending before January 1, 2015, a qualified employer shall be allowed
7 a credit against the tax imposed pursuant to Section 2355 of ~~Title~~
8 ~~68 of the Oklahoma Statutes~~ this title for compensation paid to a
9 qualified employee.

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

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

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

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

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1 D. The credit authorized by this section shall not be used to
2 reduce the tax liability of the qualified employer to less than zero
3 (0).

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

6 F. No credit otherwise authorized by the provisions of this
7 section may be claimed for any event, transaction, investment,
8 expenditure or other act occurring on or after July 1, 2010, for
9 which the credit would otherwise be allowable. The provisions of
10 this subsection shall cease to be operative on ~~July 1, 2012~~ July 1,
11 2011. Beginning ~~July 1, 2012~~ July 1, 2011, the credit authorized by
12 this section may be claimed for any event, transaction, investment,
13 expenditure or other act occurring on or after ~~July 1, 2012~~ July 1,
14 2011, according to the provisions of this section.

15 SECTION 3. AMENDATORY Section 4, Chapter 417, O.S.L.
16 2008, as amended by Section 28, Chapter 327, O.S.L. 2010 (68 O.S.
17 Supp. 2010, Section 2357.304), is amended to read as follows:

18 Section 2357.304 A. Except as provided in subsection D of this
19 section, for taxable years beginning after December 31, 2008, and
20 ending before January 1, 2015, a qualified employee shall be allowed
21 a credit against the tax imposed pursuant to Section 2355 of Title
22 ~~68 of the Oklahoma Statutes~~ this title of up to Five Thousand
23 Dollars (\$5,000.00) per year for a period of time not to exceed five
24 (5) years.

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

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

5 D. No credit otherwise authorized by the provisions of this
6 section may be claimed for any event, transaction, investment,
7 expenditure or other act occurring on or after July 1, 2010, for
8 which the credit would otherwise be allowable. The provisions of
9 this subsection shall cease to be operative on ~~July 1, 2012~~ July 1,
10 2011. Beginning ~~July 1, 2012~~ July 1, 2011, the credit authorized by
11 this section may be claimed for any event, transaction, investment,
12 expenditure or other act occurring on or after ~~July 1, 2012~~ July 1,
13 2011, according to the provisions of this section.

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

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

19 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-8-11 - DO PASS,
20 As Amended and Coauthored.

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