

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 HOUSE BILL 2726

By: Inman

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6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2011, Section 2357.29, which relates to an
9 income tax credit for ad valorem taxes; modifying
10 events resulting in damage or destruction upon which
11 credit based; modifying period of time for which
12 credit may be claimed; providing for period of time
13 within which repair or reconstruction to be
14 completed; and providing an effective date.

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

16 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2357.29, is
17 amended to read as follows:

18 Section 2357.29 A. 1. For tax years beginning after December
19 31, ~~1999~~ 2012, there shall be allowed a credit against the tax
20 imposed by Section 2355 of this title for owners of residential real
21 property whose primary residence ~~was~~ is damaged or destroyed ~~in the~~
22 ~~May 3, 1999, tornado~~ as a result of a natural disaster. ~~For tax~~
23 ~~years beginning after December 31, 2001, there shall be allowed a~~
24 ~~credit against the tax imposed by Section 2355 of this title for~~

1 ~~owners of residential real property whose primary residence was~~
2 ~~damaged or destroyed in the October 9, 2001, tornado. For tax years~~
3 ~~beginning after December 31, 2003, there shall be allowed a credit~~
4 ~~against the tax imposed by Section 2355 of this title for owners of~~
5 ~~residential real property whose primary residence was damaged or~~
6 ~~destroyed in the May 8 or 9, 2003, tornado.~~

7 2. The amount of the credit shall be the difference between the
8 ad valorem property tax paid on such property and improvements in
9 the year prior to the ~~tornado~~ damage or destruction by a natural
10 disaster and the amount of ad valorem property tax paid on the
11 property and improvements the first year after the improvement is
12 completely or fully repaired or rebuilt. For purposes of this
13 credit, the amount of ad valorem property tax paid the first year
14 after the improvement is repaired or rebuilt shall be based on the
15 same or similar square footage as the improvement which was damaged
16 or destroyed.

17 B. The credit shall be a refundable credit. Eligible taxpayers
18 shall be entitled to claim this credit for ~~five (5)~~ three (3)
19 consecutive years. After the first year the credit is claimed, the
20 amount of the credit shall be eighty percent (80%) of the previous
21 year's credit. If the taxpayer has no income tax liability, or if
22 the credit exceeds the amount of the income tax liability of the
23 taxpayer, then the credit, or balance thereof, shall be paid out in
24 the same manner and out of the same fund as refunds of income taxes

1 are paid and so much of the fund as is necessary for such purposes is
2 hereby appropriated.

3 C. In order to qualify for this credit:

4 1. The property shall have been damaged or destroyed by a
5 ~~tornado or similar cyclonic winds on May 3, 1999, October 9, 2001,~~
6 ~~or May 8 or 9, 2003~~ natural disaster;

7 2. The property shall be within an area which has been declared
8 a federal disaster area;

9 3. The property shall be the primary residence of the owner
10 both prior to and after the ~~tornado~~ disaster;

11 4. The owner shall have been granted a homestead exemption or
12 be eligible to claim a homestead exemption both prior to and after
13 the ~~tornado~~ disaster;

14 5. The primary residence shall be repaired or rebuilt on the
15 same property as it existed prior to the ~~tornado~~ disaster; and

16 6. The primary residence shall be repaired or rebuilt and used
17 as the primary residence no later than ~~December 31, 2001,~~ with
18 ~~respect to the May 3, 1999, tornado, no later than December 31,~~
19 ~~2003, with respect to the October 9, 2001, tornado, or no later than~~
20 ~~December 31, 2005, with respect to the May 8 or 9, 2003, tornado~~
21 thirty (30) months from the date as of which the residence was
22 damaged or destroyed.

23 D. The credit shall not be allowed if the property is
24 transferred or title is changed or conveyed as defined in Section

1 2802.1 of this title. Any credit claimed and allowed prior to the
2 transfer of the property or the change or conveyance of title shall
3 not be affected.

4 E. The Oklahoma Tax Commission shall promulgate any necessary
5 rules and develop any necessary forms to implement the provisions of
6 this section.

7 SECTION 2. This act shall become effective January 1, 2013.

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