

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 2978

By: Dank

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6 AS INTRODUCED

7 An Act relating to revenue and taxation; defining
8 term; requiring measures to contain provisions
9 allowing identification of certain persons;
10 prohibiting measures allowing transfer of tax
11 credits; providing exception; requiring creation or
12 retention of jobs; requiring tax credit to contain
13 limitations with respect to revenue loss; requiring
14 tax credits to contain certain termination date;
15 requiring prior approval of certain activity related
16 to tax credits; requiring audits by the State Auditor
17 and Inspector; requiring fiscal impact; requiring
18 impact to be available within certain period of time
19 prior to vote on final passage; prohibiting
20 consideration of measures containing tax credits
21 during certain period of time related to legislative
22 sessions; providing for codification; providing an
23 effective date; and declaring an emergency.

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

19 SECTION 1. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 2357.501 of Title 68, unless
21 there is created a duplication in numbering, reads as follows:

22 A. As used in this section, "tax credit" means a method by
23 which a person or entity may reduce any state tax liability pursuant
24 to a statutory authorization allowing the tax to be reduced either

1 by a percentage or a specific dollar amount after the applicable tax
2 rate amount has been multiplied by the applicable tax base amount
3 and which results in a net tax liability after the tax credit amount
4 has been subtracted from a gross tax liability amount.

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

9 C. The Legislature shall not pass any measure that creates or
10 allows to be created a tax credit that may be transferred to any
11 person or entity. The provisions of this subsection shall not
12 prohibit the allocation of a tax credit to a person or entity
13 authorized or required to use a tax credit or portion of a tax
14 credit as a result of the provisions of the federal Internal Revenue
15 Code relating to the taxation of partnerships or entities treated as
16 partnerships for those purposes.

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

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

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1 F. Any tax credit passed by the Legislature shall contain a
2 date certain for the termination of the provisions authorizing the
3 credit.

4 G. No economic activity that qualifies for a tax credit may
5 occur without the project costs receiving prior approval by a state
6 governmental entity to be designated pursuant to law enacted by the
7 Legislature.

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

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

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

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

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

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