

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1677

By: Schulz

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5
6 AS INTRODUCED

7 An Act relating to income tax; providing a credit
8 against taxes for establishment of a corporate
9 headquarters; setting amount of, and criteria for,
10 credit; limiting ability to claim credit for certain
11 costs; defining terms; providing for carry forward;
12 providing for codification; and providing an
13 effective date.

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

15 SECTION 1. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 2357.403 of Title 68, unless
17 there is created a duplication in numbering, reads as follows:

18 A. For taxable years beginning on or after January 1, 2013,
19 there shall be allowed a credit against the tax imposed pursuant to
20 Section 2355 of Title 68 of the Oklahoma Statutes for a taxpayer
21 establishing a corporate headquarters in this state, subject to the
22 limitations provided in subsection B of this section, as follows:

23 1. The credit shall be equal to twenty percent (20%) of
24 qualifying real property costs of if the establishment of the
headquarters results in the creation of at least forty (40) new

1 direct jobs, at least twenty (20) of which are classified by the
2 employer as headquarters staff employees; and

3 2. The credit shall be equal to twenty percent (20%) of
4 qualifying tangible personal property costs if the establishment of
5 the headquarters results in the creation of at least seventy-five
6 (75) new direct jobs with an average compensation level of more than
7 one and one-half (1.5) times the per capita income of this state
8 based on the most recent per capita income data available at the end
9 of the year during which the jobs are filled.

10 B. 1. For facilities which are constructed, the credit shall
11 only be allowed for the taxable year in which the headquarters is
12 established or is placed in service for federal income tax purposes.

13 2. For personal property, the credit shall not be allowed for
14 property used to replace property for which the credit was initially
15 claimed.

16 3. For leased real or personal property, the credit shall only
17 be allowed for the taxable year during which the first direct lease
18 costs are incurred.

19 C. As used in this section:

20 1. "Corporate headquarters" means the facility or portion of a
21 facility where corporate staff employees are physically employed and
22 where the majority of the company's financial, personnel, legal,
23 planning or other headquarters-related functions are handled, either
24 on a regional, national or international basis;

1 2. "Headquarters staff employee" means executive,
2 administrative or professional workers performing headquarters-
3 related functions and services;

4 3. "New direct jobs" means full-time-equivalent jobs located in
5 this state and performing headquarters-related functions and
6 services, and does not include a job created when an employee is
7 shifted from an existing location in this state;

8 4. "Qualifying tangible personal property" means property
9 capitalized as personal property for income tax purposes under the
10 Internal Revenue Code and purchased for the establishment of a
11 corporate headquarters and used for corporate headquarters-related
12 functions; and

13 5. "Qualifying real property costs" means costs incurred in the
14 design, preparation, development and construction of a corporate
15 headquarters or, with respect to leased facilities, direct lease
16 costs during the first five (5) years of operations for the
17 corporate headquarters.

18 D. If the tax credit authorized by this section exceeds the
19 amount of taxes due, or if there are no state taxes due of the
20 taxpayer, the amount of the claim not used as an offset against the
21 taxes of a taxable year may be carried forward for a period not to
22 exceed ten (10) years.

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

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