

1 STATE OF OKLAHOMA

2 1st Session of the 53rd Legislature (2011)

3 SENATE BILL 85

By: Jolley

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5
6 AS INTRODUCED

7 An Act relating to income tax; creating the Oklahoma
8 College Degree Encouragement Act; providing short
9 title; providing income tax credit for specified
10 taxpayers for certain payments and commitments for
11 payment; providing for amount of, and limits on,
12 credit to each taxpayer; providing limit on total
13 credits granted; requiring Oklahoma Tax Commission to
14 prescribe forms and promulgate rules; defining terms;
15 authorizing carryover of credits; creating Oklahoma
16 College Degree Encouragement Act Endowment Fund and
17 providing for transfer of funds to specified other
18 funds; providing for codification; and providing an
19 effective date.

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

21 SECTION 1. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 2357.105 of Title 68, unless
23 there is created a duplication in numbering, reads as follows:

24 This act shall be known and may be cited as the "Oklahoma
College Degree Encouragement Act".

SECTION 2. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 2357.106 of Title 68, unless
there is created a duplication in numbering, reads as follows:

1 A. For taxable years beginning after December 31, 2011, there
2 shall be allowed a credit against the tax imposed by Section 2355 of
3 Title 68 of the Oklahoma Statutes equal to an amount specified in
4 subsection B of this section for an eligible taxpayer's qualified
5 payment or commitment for payment in support of higher education
6 pursuant to this act.

7 B. The credit provided for in subsection A of this section
8 shall be equal to:

9 1. One hundred percent (100%) of any qualified payment to an
10 institution of higher learning on behalf of the eligible taxpayer's
11 employee for the purpose of obtaining such employee's first
12 bachelor's degree;

13 2. Seventy percent (70%) of any qualified payment to an
14 institution of higher learning on behalf of the eligible taxpayer's
15 employee for the purpose of obtaining an advanced academic degree;

16 3. One hundred percent (100%) of any donation to the Oklahoma
17 College Degree Encouragement Act Endowment Fund created in Section 3
18 of this act; and

19 4. Seventy percent (70%) of a one-year qualified commitment for
20 payment or one hundred percent (100%) of a multi-year qualified
21 commitment for payment to any higher education scholarship fund
22 available to families whose children qualify for free and reduced-
23 price school lunch programs.

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1 C. In no event shall the credit provided for in subsection A of
2 this section exceed One Hundred Thousand Dollars (\$100,000.00) for
3 any taxpayer or Twenty-five Million Dollars (\$25,000,000.00) for all
4 taxpayers claiming such credit in any tax year. The Oklahoma Tax
5 Commission shall prescribe an application form and promulgate rules
6 for the acceptance of applications for the tax credit on a first-
7 come, first-served basis.

8 D. As used in this section:

9 1. "Eligible taxpayer" means any corporation, partnership, sole
10 proprietorship or limited liability company doing business in this
11 state or deriving income from sources within this state and subject
12 to the provisions of Section 2355 of Title 68 of the Oklahoma
13 Statutes;

14 2. "Qualified payment" means an amount actually paid by an
15 eligible taxpayer for tuition, books or fees on behalf of an
16 employee to an institution of higher learning for the purpose of
17 obtaining either a Bachelor's or advanced degree;

18 3. "Qualified commitment for payment" means a contractual
19 obligation for payment by an eligible taxpayer to any higher
20 education scholarship fund available to families whose children
21 qualify for free and reduced-price school lunch programs; and

22 4. "Institution of higher learning" means an institution of the
23 Oklahoma State System of Higher Education or a private or
24 independent, not-for-profit college or university domiciled within

1 this state, fully accredited by the Higher Learning Commission of
2 the North Central Association on Colleges and Schools.

3 E. Any credits allowed pursuant to the provisions of this act
4 but not used in any tax year may be carried over in order to each of
5 the four (4) years following the year of qualification subject to
6 the limitations provided in this section.

7 SECTION 3. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 2357.107 of Title 68, unless
9 there is created a duplication in numbering, reads as follows:

10 A. There is hereby created a fund to be known as the "Oklahoma
11 College Degree Encouragement Act Endowment Fund". The fund
12 principal shall consist of the portion of monies which are received
13 by the State of Oklahoma by donation for the fund and any other
14 monies that may be appropriated or otherwise directed to the fund by
15 the Legislature.

16 B. Any funds which are deposited in the Oklahoma College Degree
17 Encouragement Act Endowment Fund pursuant to paragraph 3 of
18 subsection B of Section 2 of this act shall be transferred to the
19 following funds in the specified amounts:

20 1. Fifty percent (50%) to the Oklahoma Higher Learning Access
21 Trust Fund; and

22 2. Fifty percent (50%) to the Oklahoma Tuition Equalization
23 Grant Trust Fund.

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1 SECTION 4. This act shall become effective January 1, 2012.

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