

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 SENATE BILL 1441

By: Standridge

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5  
6 AS INTRODUCED

7 An Act relating to income tax credits; amending 68  
8 O.S. 2011, Section 2357.302, as amended by Section 2,  
9 Chapter 30, O.S.L. 2014, Section 2357.303, as amended  
10 by Section 3, Chapter 30, O.S.L. 2014 and Section  
11 2357.304, as amended by Section 4, Chapter 30, O.S.L.  
12 2014 (68 O.S. Supp. 2015, Sections 2357.302, 2357.303  
and 2357.304), which relate to aerospace industry tax  
credits; modifying references; modifying time periods  
during which certain credits are allowed and  
providing condition thereto; and providing an  
effective date.

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

16 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2357.302, as  
17 amended by Section 2, Chapter 30, O.S.L. 2014 (68 O.S. Supp. 2015,  
18 Section 2357.302), is amended to read as follows:

19 Section 2357.302. A. Except as provided in ~~subsection F~~  
20 subsections F and G of this section, for taxable years beginning  
21 after December 31, 2008, ~~and ending before January 1, 2018,~~ a  
22 qualified employer shall be allowed a credit against the tax imposed  
23 pursuant to Section 2355 of this title for tuition reimbursed to a  
24 qualified employee.

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

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

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

15 E. No credit authorized by this section shall be claimed after  
16 the fourth year of employment.

17 F. No credit otherwise authorized by the provisions of this  
18 section may be claimed for any event, transaction, investment,  
19 expenditure or other act occurring on or after July 1, 2010, for  
20 which the credit would otherwise be allowable. The provisions of  
21 this subsection shall cease to be operative on July 1, 2011.  
22 Beginning July 1, 2011, the credit authorized by this section may be  
23 claimed for any event, transaction, investment, expenditure or other  
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1 act occurring on or after July 1, 2011, according to the provisions  
2 of this section.

3 G. No credits shall be allowed pursuant to this section for  
4 tuition reimbursed to a qualified aerospace employee on or after  
5 January 1, 2018, unless this section is reauthorized by the Oklahoma  
6 Legislature after evaluation by the Incentive Evaluation Commission  
7 pursuant to Section 7004 of Title 62 of the Oklahoma Statutes.

8 SECTION 2. AMENDATORY 68 O.S. 2011, Section 2357.303, as  
9 amended by Section 3, Chapter 30, O.S.L. 2014 (68 O.S. Supp. 2015,  
10 Section 2357.303), is amended to read as follows:

11 Section 2357.303. A. Except as provided in ~~subsection F~~  
12 subsections F and G of this section, for taxable years beginning  
13 after December 31, 2008, ~~and ending before January 1, 2018,~~ a  
14 qualified employer shall be allowed a credit against the tax imposed  
15 pursuant to Section 2355 of this title for compensation paid to a  
16 qualified employee.

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

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

23 2. Five percent (5%) of the compensation paid for the first  
24 through fifth years of employment in the aerospace sector if the

1 qualified employee graduated from an institution located outside  
2 this state.

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

6 D. The credit authorized by this section shall not be used to  
7 reduce the tax liability of the qualified employer to less than zero  
8 (0).

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

11 F. No credit otherwise authorized by the provisions of this  
12 section may be claimed for any event, transaction, investment,  
13 expenditure or other act occurring on or after July 1, 2010, for  
14 which the credit would otherwise be allowable. The provisions of  
15 this subsection shall cease to be operative on July 1, 2011.  
16 Beginning July 1, 2011, the credit authorized by this section may be  
17 claimed for any event, transaction, investment, expenditure or other  
18 act occurring on or after July 1, 2011, according to the provisions  
19 of this section.

20 G. No credits shall be allowed pursuant to this section for  
21 compensation paid to a qualified aerospace employee on or after  
22 January 1, 2018, unless this section is reauthorized by the Oklahoma  
23 Legislature after evaluation by the Incentive Evaluation Commission  
24 pursuant to Section 7004 of Title 62 of the Oklahoma Statutes.

1 SECTION 3. AMENDATORY 68 O.S. 2011, Section 2357.304, as  
2 amended by Section 4, Chapter 30, O.S.L. 2014 (68 O.S. Supp. 2015,  
3 Section 2357.304), is amended to read as follows:

4 Section 2357.304. A. Except as provided in ~~subsection D~~  
5 subsections D and E of this section, for taxable years beginning  
6 after December 31, 2008, ~~and ending before January 1, 2018,~~ a  
7 qualified employee shall be allowed a credit against the tax imposed  
8 pursuant to Section 2355 of this title of up to Five Thousand  
9 Dollars (\$5,000.00) per year for a period of time not to exceed five  
10 (5) years.

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

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

15 D. 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, 2011.  
20 Beginning July 1, 2011, the credit authorized by this section may be  
21 claimed for any event, transaction, investment, expenditure or other  
22 act occurring on or after July 1, 2011, according to the provisions  
23 of this section.  
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1        E. No credits shall be allowed pursuant to this section against  
2 the tax liability of a qualified aerospace employee on or after  
3 January 1, 2018, unless this section is reauthorized by the Oklahoma  
4 Legislature after evaluation by the Incentive Evaluation Commission  
5 pursuant to Section 7004 of Title 62 of the Oklahoma Statutes.

6            SECTION 4. This act shall become effective November 1, 2016.

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8            55-2-2549            JCR            2/18/2016 6:57:00 PM  
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