

1 ENGROSSED HOUSE  
2 BILL NO. 1369

By: Dank, Kern, Sears, Shannon  
and Denney of the House

3 and

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

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

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

A. As used in this section, "tax credit" means a method by  
which a person or entity may reduce any state tax liability pursuant

1 to a statutory authorization allowing the tax to be reduced either  
2 by a percentage or a specific dollar amount after the applicable tax  
3 rate amount has been multiplied by the applicable tax base amount  
4 and which results in a net tax liability after the tax credit amount  
5 has been subtracted from a gross tax liability amount.

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

10 C. Any tax credit shall provide for the creation of new jobs or  
11 the retention of existing jobs within the State of Oklahoma.

12 D. With respect to each fiscal year of the state, any tax  
13 credit shall be limited based upon the total amount of credits that  
14 may be claimed by one taxpaying entity, based upon the total amount  
15 of credits that may be claimed by all taxpaying entities or both  
16 such limitations.

17 E. Any tax credit passed by the Legislature shall contain a  
18 date certain for the termination of the provisions authorizing the  
19 credit.

20 F. No economic activity that qualifies for a tax credit may  
21 occur without the project costs receiving prior approval by a state  
22 governmental entity to be designated pursuant to law enacted by the  
23 Legislature.

1       G. Transactions for which a tax credit has been authorized and  
2 which result in a reduction or potential reduction of state revenue  
3 shall be audited by the State Auditor and Inspector. The cost of  
4 the audit shall be paid for by the person or entity having claimed  
5 or having the ability to claim the tax credit.

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

13       I. No measure containing a tax credit shall be considered  
14 during the last five (5) days of a regular or extraordinary session  
15 of the Legislature.

16       SECTION 2. This act shall become effective July 1, 2013.

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

1 Passed the House of Representatives the 11th day of March, 2013.

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4 Presiding Officer of the House  
of Representatives

5 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2013.

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7 Presiding Officer of the Senate