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February 12, 2013

AS AMENDED

SENATE BILL NO. 323

By: Mazzei of the Senate

and

Sears of the House

[income and premium taxes - limiting time period
during which credit may be claimed - effective date]

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

SECTION 1. AMENDATORY 27A O.S. 2011, Section 2-11-303,
is amended to read as follows:

Section 2-11-303. A. ~~Except~~ For tax years ending before January 1, 2016, and except as otherwise provided in subsection C of this section, any person, firm, corporation or other legal entity engaged, or proposing to engage, in the recycling, reuse or source reduction of any hazardous waste, the processing of which is certified as provided in Section 2-11-305 of this title, shall be entitled to a one-time credit against its income tax liability, as provided in Section 2-11-304 of this title, of not to exceed twenty percent (20%) of the net investment cost of equipment and installation of processes used for the recycling, reuse, or source reduction of hazardous waste. Provided, that:

1 1. The credit allowed to be taken shall not exceed the income
2 tax liability for such year for such person, firm, corporation or
3 legal entity;

4 2. The tax credit to be allowed shall not extend to or include
5 plant operating expenses;

6 3. The person, firm, corporation or other legal entity applying
7 for such tax credit actually uses the recycling, reuse, or source
8 reduction process;

9 4. The tax credit is taken within three (3) years of the
10 installation and actual use of such process; and

11 5. The tax credit allowed by any person, firm, corporation or
12 other legal entity for any three (3) consecutive tax years shall not
13 exceed a total of Fifty Thousand Dollars (\$50,000.00).

14 B. The investment cost of such process may be treated as a
15 depreciable asset for income tax purposes.

16 C. No credit otherwise authorized by the provisions of this
17 section may be claimed for any event, transaction, investment,
18 expenditure or other act occurring ~~on or after~~ during the time
19 period beginning on July 1, 2010, and ending on June 30, 2012, for
20 which the credit would otherwise be allowable. ~~The provisions of~~
21 ~~this subsection shall cease to be operative on July 1, 2012.~~

22 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
23 may be claimed for any event, transaction, investment, expenditure
24 or other act occurring ~~on or after~~ during the time period beginning

1 on July 1, 2012 and ending on December 31, 2015, according to the
2 provisions of this section.

3 SECTION 2. AMENDATORY 68 O.S. 2011, Section 2357, is
4 amended to read as follows:

5 Section 2357. A. The withheld taxes and estimated taxes paid
6 shall be allowed as credits as provided by law.

7 B. 1. ~~There~~ For tax years ending before January 1, 2016, there
8 shall be allowed as a credit against the tax imposed by Section 2355
9 of this title the amount of tax paid another state by a resident
10 individual, as defined in paragraph 4 of Section 2353 of this title,
11 upon income received as compensation for personal services in such
12 other state; provided, such credit shall not be allowed with respect
13 to any income specified in Section 114 of Title 4 of the United
14 States Code, 4 U.S.C., Section 114, upon which a state is prohibited
15 from imposing an income tax. The credit shall not exceed such
16 proportion of the tax payable under Section 2355 of this title as
17 the compensation for personal services subject to tax in the other
18 state and also taxable under Section 2355 of this title bears to the
19 Oklahoma adjusted gross income as defined in paragraph 13 of Section
20 2353 of this title.

21 2. For tax years beginning after December 31, 2007 and ending
22 before January 1, 2016, there shall be allowed to a resident
23 individual or part-year resident individual or nonresident
24 individual member of the Armed Forces as a credit against the tax

1 imposed by Section 2355 of this title twenty percent (20%) of the
2 credit for child care expenses allowed under the Internal Revenue
3 Code of the United States or five percent (5%) of the child tax
4 credit allowed under the Internal Revenue Code, whichever amount is
5 greater. Neither credit authorized by this paragraph shall exceed
6 the tax imposed by Section 2355 of this title. The maximum child
7 care credit allowable on the Oklahoma income tax return shall be
8 prorated on the ratio that Oklahoma adjusted gross income bears to
9 the federal adjusted gross income. The credit authorized by this
10 paragraph shall not be claimed by any taxpayer if the federal
11 adjusted gross income reflected on the Oklahoma return for the
12 taxpayer is in excess of One Hundred Thousand Dollars (\$100,000.00).

13 C. 1. ~~Except~~ For tax years ending before January 1, 2016, and
14 except as otherwise provided by paragraph 3 of this subsection,
15 every taxpayer who operates a manufacturing establishment in the
16 state shall be allowed a direct credit against income taxes owed by
17 such taxpayer to the state, the amount of which credit shall be
18 proportioned to the amount of gas used or consumed in Oklahoma by
19 such taxpayer in the operation of a manufacturing establishment, at
20 a rate of three (3) mills per thousand (1,000) cubic feet of gas
21 used or consumed after May 1, 1971, and during each taxable year of
22 such taxpayer provided that the credit allowed herein shall not
23 apply to the first twenty-five thousand (25,000) MCF of gas used or
24

1 gas used to generate electricity or consumed after May 1, 1971, and
2 during each taxable year of such taxpayer.

3 2. As used in this subsection:

4 a. "manufacturing establishment" means a plant or
5 establishment which engages in the business of working
6 raw materials into wares suitable for use or which
7 gives new shapes, new qualities or new combinations to
8 matter which has already gone through some artificial
9 process,

10 b. "gas used or consumed" shall include all natural or
11 casinghead gas used in the operation of the
12 manufacturing establishment for whatever purposes, but
13 shall not include the following:

14 (1) gas which, after being severed from the earth, is
15 subsequently injected into a formation in the
16 state for the purpose of storing, recycling,
17 repressuring or pressure maintenance,

18 (2) gas vented or flared directly into the
19 atmosphere,

20 (3) gas used for fuel in connection with the
21 operation and development for or production of
22 oil or gas in the field where produced, and

23 (4) gas, any part of which is resold by the
24 manufacturing establishment, except as to that

1 part and quantity of the gas which is actually
2 used by the establishment and not resold, and
3 c. "one thousand (1,000) cubic feet of gas" (MCF) means
4 that quantity of gas which, measured at a pressure of
5 fifteen and twenty-five thousandths (15.025) pounds
6 per square inch absolute and at a temperature of
7 sixty-nine (69) degrees Fahrenheit, would have the
8 volume of one thousand (1,000) cubic feet.

9 3. No credit otherwise authorized by the provisions of this
10 subsection may be claimed for any event, transaction, investment,
11 expenditure or other act occurring ~~on or after~~ during the time
12 period beginning on July 1, 2010, and ending on June 30, 2012, for
13 which the credit would otherwise be allowable. ~~The provisions of~~
14 ~~this paragraph shall cease to be operative on July 1, 2012.~~
15 ~~Beginning July 1, 2012, the~~ The credit authorized by this subsection
16 may be claimed for any event, transaction, investment, expenditure
17 or other act occurring ~~on or after~~ during the time period beginning
18 on July 1, 2012 and ending on December 31, 2015, according to the
19 provisions of this subsection.

20 D. No additions to tax shall be made in Oklahoma income tax
21 returns by reason of the recapture or restoration of credits under
22 the Internal Revenue Code, and no other credits against tax shall be
23 allowed in Oklahoma income tax returns except as follows:

24 1. Those credits provided in this section; and

1 2. Those credits authorized by Sections 2-5-101 through ~~2-5-118~~
2 2-5-117 of Title 27A of the Oklahoma Statutes, which have been, or
3 may hereafter be, certified pursuant to applications therefor made
4 on or before March 22, 1971. Provided, the total amount of the
5 credits referred to in this subparagraph to be taken by the taxpayer
6 shall not exceed the certified net investment cost of the facilities
7 or processes to which such credits pertain, reduced by the greater
8 of:

9 a. the reduction in federal income tax of taxpayer as the
10 result of deducting depreciation on such facilities or
11 processes, or deducting nondepreciable costs for which
12 credit has been so certified, or

13 b. the increase in the amount of Oklahoma income tax that
14 would result if taxable income were increased by the
15 amount deducted as set forth in subparagraph a of this
16 paragraph.

17 And, provided further, that, after such credits have been
18 exhausted, taxpayer shall each year thereafter adjust taxable income
19 by adding any depreciation taken on such facilities or processes, or
20 any nondepreciable costs having been included in the net investment
21 cost allowed as credit, and which depreciation or costs have been
22 allowed as a deduction in arriving at federal taxable income for
23 such year.

1 SECTION 3. AMENDATORY 68 O.S. 2011, Section 2357.4, is
2 amended to read as follows:

3 Section 2357.4. A. Except as otherwise provided in subsection
4 F of Section 3658 of this title and in subsection J of this section,
5 for taxable years beginning after December 31, 1987, and ending
6 before January 1, 2016, there shall be allowed a credit against the
7 tax imposed by Section 2355 of this title for:

8 1. Investment in qualified depreciable property placed in
9 service during those years for use in a manufacturing operation, as
10 defined in Section 1352 of this title, which has received a
11 manufacturer exemption permit pursuant to the provisions of Section
12 1359.2 of this title or a qualified aircraft maintenance or
13 manufacturing facility as defined in paragraph 14 of Section 1357 of
14 this title in this state or a qualified web search portal as defined
15 in paragraph 35 of Section 1357 of this title; or

16 2. A net increase in the number of full-time-equivalent
17 employees engaged in manufacturing, processing or aircraft
18 maintenance in this state including employees engaged in support
19 services.

20 B. Except as otherwise provided in subsection F of Section 3658
21 of this title and in subsection J of this section, for taxable years
22 beginning after December 31, 1998, and ending before January 1,
23 2016, there shall be allowed a credit against the tax imposed by
24 Section 2355 of this title for:

1 1. Investment in qualified depreciable property with a total
2 cost equal to or greater than Forty Million Dollars (\$40,000,000.00)
3 within three (3) years from the date of initial qualifying
4 expenditure and placed in service in this state during those years
5 for use in the manufacture of products described by any Industry
6 Number contained in Division D of Part I of the Standard Industrial
7 Classification (SIC) Manual, latest revision; or

8 2. A net increase in the number of full-time-equivalent
9 employees in this state engaged in the manufacture of any goods
10 identified by any Industry Number contained in Division D of Part I
11 of the Standard Industrial Classification (SIC) Manual, latest
12 revision, if the total cost of qualified depreciable property placed
13 in service by the business entity within the state equals or exceeds
14 Forty Million Dollars (\$40,000,000.00) within three (3) years from
15 the date of initial qualifying expenditure.

16 C. The business entity may claim the credit authorized by
17 subsection B of this section for expenditures incurred or for a net
18 increase in the number of full-time-equivalent employees after the
19 business entity provides proof satisfactory to the Oklahoma Tax
20 Commission that the conditions imposed pursuant to paragraph 1 or
21 paragraph 2 of subsection B of this section have been satisfied.

22 D. If a business entity fails to expend the amount required by
23 paragraph 1 or paragraph 2 of subsection B of this section within
24 the time required, the business entity may not claim the credit

1 authorized by subsection B of this section, but shall be allowed to
2 claim a credit pursuant to subsection A of this section if the
3 requirements of subsection A of this section are met with respect to
4 the investment in qualified depreciable property or net increase in
5 the number of full-time-equivalent employees.

6 E. The credit provided for in subsection A of this section, if
7 based upon investment in qualified depreciable property, shall not
8 be allowed unless the investment in qualified depreciable property
9 is at least Fifty Thousand Dollars (\$50,000.00). The credit
10 provided for in subsection A or B of this section shall not be
11 allowed if the applicable investment is the direct cause of a
12 decrease in the number of full-time-equivalent employees. Qualified
13 property shall be limited to machinery, fixtures, equipment,
14 buildings or substantial improvements thereto, placed in service in
15 this state during the taxable year. The taxable years for which the
16 credit may be allowed if based upon investment in qualified
17 depreciable property shall be measured from the year in which the
18 qualified property is placed in service. If the credit provided for
19 in subsection A or B of this section is calculated on the basis of
20 the cost of the qualified property, the credit shall be allowed in
21 each of the four (4) subsequent years. If the qualified property on
22 which a credit has previously been allowed is acquired from a
23 related party, the date such property is placed in service by the
24 transferor shall be considered to be the date such property is

1 placed in service by the transferee, for purposes of determining the
2 aggregate number of years for which credit may be allowed.

3 F. The credit provided for in subsection A or B of this
4 section, if based upon an increase in the number of full-time-
5 equivalent employees, shall be allowed in each of the four (4)
6 subsequent years only if the level of new employees is maintained in
7 the subsequent year. In calculating the credit by the number of new
8 employees, only those employees whose paid wages or salary were at
9 least Seven Thousand Dollars (\$7,000.00) during each year the credit
10 is claimed shall be included in the calculation. Provided, that the
11 first year a credit is claimed for a new employee, such employee may
12 be included in the calculation notwithstanding paid wages of less
13 than Seven Thousand Dollars (\$7,000.00) if the employee was hired in
14 the last three quarters of the tax year, has wages or salary which
15 will result in annual paid wages in excess of Seven Thousand Dollars
16 (\$7,000.00) and the taxpayer submits an affidavit stating that the
17 employee's position will be retained in the following tax year and
18 will result in the payment of wages in excess of Seven Thousand
19 Dollars (\$7,000.00). The number of new employees shall be
20 determined by comparing the monthly average number of full-time
21 employees subject to Oklahoma income tax withholding for the final
22 quarter of the taxable year with the corresponding period of the
23 prior taxable year, as substantiated by such reports as may be
24 required by the Tax Commission.

1 G. The credit allowed by subsection A of this section shall be
2 the greater amount of either:

3 1. One percent (1%) of the cost of the qualified property in
4 the year the property is placed in service; or

5 2. Five Hundred Dollars (\$500.00) for each new employee. No
6 credit shall be allowed in any taxable year for a net increase in
7 the number of full-time-equivalent employees if such increase is a
8 result of an investment in qualified depreciable property for which
9 an income tax credit has been allowed as authorized by this section.

10 H. The credit allowed by subsection B of this section shall be
11 the greater amount of either:

12 1. Two percent (2%) of the cost of the qualified property in
13 the year the property is placed in service; or

14 2. One Thousand Dollars (\$1,000.00) for each new employee.

15 No credit shall be allowed in any taxable year for a net
16 increase in the number of full-time-equivalent employees if such
17 increase is a result of an investment in qualified depreciable
18 property for which an income tax credit has been allowed as
19 authorized by this section.

20 I. Except as provided by subsection G of Section 3658 of this
21 title, any credits allowed but not used in any taxable year may be
22 carried over in order as follows:

23 1. To each of the four (4) years following the year of
24 qualification;

1 2. To the extent not used in those years in order to each of
2 the fifteen (15) years following the initial five-year period; and

3 3. If a C corporation that otherwise qualified for the credits
4 under subsection A of this section subsequently changes its
5 operating status to that of a pass-through entity which is being
6 treated as the same entity for federal tax purposes, the credits
7 will continue to be available as if the pass-through entity had
8 originally qualified for the credits subject to the limitations of
9 this section.

10 To the extent not used in paragraphs 1 and 2 of this subsection,
11 such credits from qualified depreciable property placed in service
12 on or after January 1, 2000, may be utilized in any subsequent tax
13 years after the initial twenty-year period.

14 J. No credit otherwise authorized by the provisions of this
15 section may be claimed for any event, transaction, investment,
16 expenditure or other act occurring on or after July 1, 2010, for
17 which the credit would otherwise be allowable until the provisions
18 of this subsection shall cease to be operative on July 1, 2012.
19 Beginning July 1, 2012, the credit authorized by this section may be
20 claimed for any event, transaction, investment, expenditure or other
21 act occurring on or after July 1, 2010, according to the provisions
22 of this section; provided, credits accrued during the period from
23 July 1, 2010, through June 30, 2012, shall be limited to a period of
24 two (2) taxable years. The credit shall be limited in each taxable

1 year to fifty percent (50%) of the total amount of the accrued
2 credit. Any tax credits which accrue during the period of July 1,
3 2010, through June 30, 2012, may not be claimed for any period prior
4 to the taxable year beginning January 1, 2012. No credits which
5 accrue during the period of July 1, 2010, through June 30, 2012, may
6 be used to file an amended tax return for any taxable year prior to
7 the taxable year beginning January 1, 2012.

8 SECTION 4. AMENDATORY 68 O.S. 2011, Section 2357.6, is
9 amended to read as follows:

10 Section 2357.6. A. Any person or corporation may contribute
11 monies to the Energy Conservation Assistance Fund. Except as
12 otherwise provided in subsection B of this section, for tax years
13 ending before January 1, 2016, such contributions shall be entitled
14 to an income tax credit against the state personal or corporate
15 income tax liability of fifty percent (50%) of the amount
16 contributed to the fund for the taxable year in which it was made.

17 B. 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~~ during the time
20 period beginning on July 1, 2010, and ending on June 30, 2012, for
21 which the credit would otherwise be allowable. ~~The provisions of~~
22 ~~this subsection shall cease to be operative on July 1, 2012.~~
23 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
24 may be claimed for any event, transaction, investment, expenditure

1 or other act occurring ~~on or after~~ during the time period beginning
2 July 1, 2012 and ending on December 31, 2015, according to the
3 provisions of this section.

4 SECTION 5. AMENDATORY 68 O.S. 2011, Section 2357.11, is
5 amended to read as follows:

6 Section 2357.11. A. For purposes of this section, the term
7 "person" means any legal business entity including limited and
8 general partnerships, corporations, sole proprietorships, and
9 limited liability companies, but does not include individuals.

10 B. 1. Except as provided in subsection M of this section, for
11 tax years beginning on or after January 1, 1993, and ending on or
12 before December 31, 2014, there shall be allowed a credit against
13 the tax imposed by Section 1803 or Section 2355 of this title or
14 Section 624 or 628 of Title 36 of the Oklahoma Statutes for every
15 person in this state furnishing water, heat, light or power to the
16 state or its citizens, or for every person in this state burning
17 coal to generate heat, light or power for use in manufacturing
18 operations located in this state.

19 2. For tax years beginning on or after January 1, 1993, and
20 ending on or before December 31, 2005, and for the period of January
21 1, 2006, through June 30, 2006, the credit shall be in the amount of
22 Two Dollars (\$2.00) per ton for each ton of Oklahoma-mined coal
23 purchased by such person.
24

1 3. For the period of July 1, 2006 through December 31, 2006,
2 and for tax years beginning on or after January 1, 2007, and ending
3 on or before December 31, 2014, the credit shall be in the amount of
4 Two Dollars and eighty-five cents (\$2.85) per ton for each ton of
5 Oklahoma-mined coal purchased by such person.

6 4. In addition to the credit allowed pursuant to the provisions
7 of paragraph 3 of this subsection, for the period of July 1, 2006,
8 through December 31, 2006, and except as provided in subsection M of
9 this section, for tax years beginning on or after January 1, 2007,
10 and ending on or before December 31, 2014, there shall be allowed a
11 credit in the amount of Two Dollars and fifteen cents (\$2.15) per
12 ton for each ton of Oklahoma-mined coal purchased by such person.
13 The credit allowed pursuant to the provisions of this paragraph may
14 not be claimed or transferred prior to January 1, 2008.

15 C. For tax years beginning on or after January 1, 1995, and
16 ending on or before December 31, 2005, and for the period beginning
17 January 1, 2006, through June 30, 2006, there shall be allowed, in
18 addition to the credits allowed pursuant to subsection B of this
19 section, a credit against the tax imposed by Section 1803 or Section
20 2355 of this title or Section 624 or 628 of Title 36 of the Oklahoma
21 Statutes for every person in this state which:

22 1. Furnishes water, heat, light or power to the state or its
23 citizens, or burns coal to generate heat, light or power for use in
24 manufacturing operations located in this state; and

1 2. Purchases at least seven hundred fifty thousand (750,000)
2 tons of Oklahoma-mined coal in the tax year.

3 The additional credit allowed pursuant to this subsection shall
4 be in the amount of Three Dollars (\$3.00) per ton for each ton of
5 Oklahoma-mined coal purchased by such person.

6 D. Except as otherwise provided in subsection E of this section
7 and in subsection M of this section, for tax years beginning on or
8 after January 1, 2001, and ending on or before December 31, 2014,
9 there shall be allowed a credit against the tax imposed by Section
10 1803 or Section 2355 of this title or Section 624 or 628 of Title 36
11 of the Oklahoma Statutes for every person in this state primarily
12 engaged in mining, producing or extracting coal, and holding a valid
13 permit issued by the Oklahoma Department of Mines. For tax years
14 beginning on or after January 1, 2001, and ending on or before
15 December 31, 2005, and for the period beginning January 1, 2006,
16 through June 30, 2006, the credit shall be in the amount of ninety-
17 five cents (\$0.95) per ton and for the period of July 1, 2006,
18 through December 31, 2006, and for tax years beginning on or after
19 January 1, 2007, the credit shall be in the amount of Five Dollars
20 (\$5.00) for each ton of coal mined, produced or extracted in on,
21 under or through a permit in this state by such person.

22 E. In addition to the credit allowed pursuant to the provisions
23 of subsection D of this section and except as otherwise provided in
24 subsection F of this section, for tax years beginning on or after

1 January 1, 2001, and ending on or before December 31, 2005, and for
2 the period of January 1, 2006, through June 30, 2006, there shall be
3 allowed a credit against the tax imposed by Section 1803 or Section
4 2355 of this title or Section 624 or 628 of Title 36 of the Oklahoma
5 Statutes for every person in this state primarily engaged in mining,
6 producing or extracting coal, and holding a valid permit issued by
7 the Oklahoma Department of Mines in the amount of ninety-five cents
8 (\$0.95) per ton for each ton of coal mined, produced or extracted
9 from thin seams in this state by such person; provided, the credit
10 shall not apply to such coal sold to any consumer who purchases at
11 least seven hundred fifty thousand (750,000) tons of Oklahoma-mined
12 coal per year.

13 F. In addition to the credit allowed pursuant to the provisions
14 of subsection D of this section and except as otherwise provided in
15 subsection G of this section, for tax years beginning on or after
16 January 1, 2005, and ending on or before December 31, 2005, and for
17 the period of January 1, 2006, through June 30, 2006, there shall be
18 allowed a credit against the tax imposed by Section 1803 or Section
19 2355 of this title or that portion of the tax imposed by Section 624
20 or 628 of Title 36 of the Oklahoma Statutes, which is actually paid
21 to and placed into the General Revenue Fund, in the amount of
22 ninety-five cents (\$0.95) per ton for each ton of coal mined,
23 produced or extracted from thin seams in this state by such person
24 on or after July 1, 2005.

1 G. The credits provided in subsections D and E of this section
2 shall not be allowed for coal mined, produced or extracted in any
3 month in which the average price of coal is Sixty-eight Dollars
4 (\$68.00) or more per ton, excluding freight charges, as determined
5 by the Tax Commission.

6 H. The additional credits allowed pursuant to subsections B, C,
7 D and E of this section but not used shall be freely transferable
8 after January 1, 2002, by written agreement to subsequent
9 transferees at any time during the five (5) years following the year
10 of qualification; provided, the additional credits allowed pursuant
11 to the provisions of paragraph 4 of subsection B of this section but
12 not used shall be freely transferable after January 1, 2008, by
13 written agreement to subsequent transferees at any time during the
14 five (5) years following the year of qualification. An eligible
15 transferee shall be any taxpayer subject to the tax imposed by
16 Section 1803 or Section 2355 of this title or Section 624 or 628 of
17 Title 36 of the Oklahoma Statutes. The person originally allowed
18 the credit and the subsequent transferee shall jointly file a copy
19 of the written credit transfer agreement with the Tax Commission
20 within thirty (30) days of the transfer. The written agreement
21 shall contain the name, address and taxpayer identification number
22 of the parties to the transfer, the amount of credit being
23 transferred, the year the credit was originally allowed to the
24 transferring person and the tax year or years for which the credit

1 may be claimed. The Tax Commission may promulgate rules to permit
2 verification of the validity and timeliness of a tax credit claimed
3 upon a tax return pursuant to this subsection but shall not
4 promulgate any rules which unduly restrict or hinder the transfers
5 of such tax credit.

6 I. The additional credit allowed pursuant to subsection F of
7 this section but not used shall be freely transferable on or after
8 July 1, 2006, by written agreement to subsequent transferees at any
9 time during the five (5) years following the year of qualification.
10 An eligible transferee shall be any taxpayer subject to the tax
11 imposed by Section 1803 or Section 2355 of this title or Section 624
12 or 628 of Title 36 of the Oklahoma Statutes. The person originally
13 allowed the credit and the subsequent transferee shall jointly file
14 a copy of the written credit transfer agreement with the Tax
15 Commission within thirty (30) days of the transfer. The written
16 agreement shall contain the name, address and taxpayer
17 identification number of the parties to the transfer, the amount of
18 credit being transferred, the year the credit was originally allowed
19 to the transferring person and the tax year or years for which the
20 credit may be claimed. The Tax Commission may promulgate rules to
21 permit verification of the validity and timeliness of a tax credit
22 claimed upon a tax return pursuant to this subsection but shall not
23 promulgate any rules which unduly restrict or hinder the transfers
24 of such tax credit.

1 J. Any person receiving tax credits pursuant to the provisions
2 of this section shall apply the credits against taxes payable or
3 shall transfer the credits as provided in this section. Credits
4 shall not be used to lower the price of any Oklahoma-mined coal sold
5 that is produced by a subsidiary of the person receiving a tax
6 credit under this section to other buyers of the Oklahoma-mined
7 coal.

8 K. The credits allowed by subsections B, C, D, E and F of this
9 section, upon election of the taxpayer, shall be treated and may be
10 claimed as a payment of tax, a prepayment of tax or a payment of
11 estimated tax for purposes of Section 1803 or 2355 of this title or
12 Section 624 or 628 of Title 36 of the Oklahoma Statutes.

13 L. Any credits allowed pursuant to the provisions of
14 subsections B, C, D, E and F of this section but not used in any tax
15 year may be carried over in order to each of the five (5) years
16 following the year of qualification.

17 M. 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~~ during the time
20 period beginning on July 1, 2010, and ending on June 30, 2012, for
21 which the credit would otherwise be allowable. ~~The provisions of~~
22 ~~this subsection shall cease to be operative on July 1, 2012.~~
23 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
24 may be claimed for any event, transaction, investment, expenditure

1 or other act occurring ~~on or after~~ during the time period beginning
2 on July 1, 2012, and ending on December 31, 2014, according to the
3 provisions of this section.

4 SECTION 6. AMENDATORY 68 O.S. 2011, Section 2357.24, is
5 amended to read as follows:

6 Section 2357.24. A. For taxable years beginning after December
7 31, 1994, and ending before January 1, 2016, there shall be allowed
8 a deduction from the taxable income of any resident taxpayer who
9 sells to this state any real property in which the taxpayer is the
10 record owner and which real property was the site of a historic
11 battle during the nineteenth century and is or has been designated a
12 National Historic Landmark. For purposes of this section, a
13 "National Historic Landmark" is a district, site, building,
14 structure or object, designated by the Secretary of the Interior as
15 possessing national significance in American history, archaeology,
16 architecture, engineering or culture.

17 B. The deduction allowed by this section shall be limited to
18 fifty percent (50%) of any capital gain the owner of the property
19 receives or realizes upon the sale of the property and shall be
20 allowed for the taxable year in which the sale occurred.

21 C. A husband and wife who file separate returns for a taxable
22 year in which they could have filed a joint return may each claim
23 only one-half (1/2) of the tax deduction that would have been
24 allowed for a joint return. If record title to the property is held

1 in more than one individual other than a husband and wife, each
2 owner shall be allowed the deduction in the same percentage as that
3 individual's percentage of ownership in the property. In no event
4 shall the total deduction allowed by this section exceed fifty
5 percent (50%) in the taxable year of the capital gain realized on
6 the sale of the property.

7 D. Record title to the property subject to the provisions of
8 this section may be initially transferred or conveyed by the
9 resident taxpayer to a private, nonprofit organization if the
10 organization transfers or conveys record title to the property to
11 this state within one (1) year of the sale or transfer of the
12 property from the resident taxpayer to the organization. The
13 private, nonprofit organization shall not be entitled to the
14 deduction provided by this section. If record title is not
15 transferred or conveyed to this state by the private, nonprofit
16 organization within the one-year period, the resident taxpayer shall
17 not be allowed the deduction.

18 SECTION 7. AMENDATORY 68 O.S. 2011, Section 2357.26, is
19 amended to read as follows:

20 Section 2357.26. A. Except as otherwise provided by subsection
21 G of this section, for tax years beginning after December 31, 2001,
22 and ending before January 1, 2016, there shall be allowed a credit
23 against the tax imposed by Section 2355 of this title for employers
24

1 incurring eligible expenses in connection with the provision of
2 child care services.

3 B. As used in this section:

4 1. "Eligible expenses" means amounts paid for:

5 a. the purchase of qualifying child care services that
6 are actually provided to children of employees, at a
7 program licensed by the Department of Human Services
8 with a rating of two stars or higher pursuant to rules
9 promulgated by the Department, at a:

10 (1) child care center, or

11 (2) family child care home,

12 b. planning, preparing a site and constructing a child
13 care center,

14 c. renovating or remodeling a structure to be used for a
15 child care center,

16 d. purchasing equipment necessary for use by a child care
17 center,

18 e. expanding a child care center,

19 f. maintaining and operating a child care center,
20 including paying direct administrative and staff
21 costs,

22 g. purchasing child care slots actually provided or
23 reserved for children of employees, or
24

1 h. fees and grants provided to child care resource and
2 referral organizations doing business within this
3 state; and

4 2. "Employer" means a taxpayer who employs one or more full-
5 time-equivalent employees and whose primary source of income is from
6 a business other than the business of providing child care services.

7 C. In lieu of a deduction from taxable income, the credit
8 allowed by subsection A of this section shall be twenty percent
9 (20%) of the amount of eligible expenses.

10 D. The amount of eligible expenses upon which the credit will
11 be based in any taxable year shall be limited to:

12 1. Three Thousand One Hundred Dollars (\$3,100.00) for expenses
13 described in subparagraph a of paragraph 1 of subsection B of this
14 section for each child of an employee receiving qualifying child
15 care services;

16 2. Fifty Thousand Dollars (\$50,000.00) for expenses described
17 in subparagraphs b through g of paragraph 1 of subsection B of this
18 section; and

19 3. Five Thousand Dollars (\$5,000.00) for expenses described in
20 subparagraph h of paragraph 1 of subsection B of this section.

21 E. Any credits allowed but not used in any tax year may be
22 carried over in order to each of the four (4) tax years following
23 the year of qualification.

1 F. The Oklahoma Tax Commission, on or before January 31 of each
2 year, shall submit a report regarding the credit authorized by this
3 section to both houses of the Oklahoma Legislature. Such report
4 shall summarize the total amount of credits claimed and likely to be
5 claimed and allowed under this section.

6 G. No credit otherwise authorized by the provisions of this
7 section may be claimed for any event, transaction, investment,
8 expenditure or other act occurring ~~on or after~~ during the time
9 period beginning on July 1, 2010, and ending on June 30, 2012, for
10 which the credit would otherwise be allowable. ~~The provisions of~~
11 ~~this subsection shall cease to be operative on July 1, 2012.~~

12 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
13 may be claimed for any event, transaction, investment, expenditure
14 or other act occurring ~~on or after~~ during the time period beginning
15 on July 1, 2012, and ending on December 31, 2015, according to the
16 provisions of this section.

17 SECTION 8. AMENDATORY 68 O.S. 2011, Section 2357.27, is
18 amended to read as follows:

19 Section 2357.27. A. Except as otherwise provided by subsection
20 E of this section, for tax years beginning after December 31, 1998,
21 and ending before January 1, 2016, there shall be allowed a credit
22 against the tax imposed by Section 2355 of this title for eligible
23 expenses incurred by entities primarily engaged in the business of
24 providing child care services.

1 B. As used in this section, "eligible expenses" means amounts
2 paid by an entity primarily engaged in the business of providing
3 child care services for expenses incurred by the entity to comply
4 with the standards promulgated by a national accrediting association
5 recognized by the Department of Human Services and which would not
6 have been incurred by the entity to comply with the Oklahoma Child
7 Care Facilities Licensing Act.

8 C. The credit allowed by subsection A of this section shall be
9 twenty percent (20%) of the amount of eligible expenses. Such
10 credit shall not be allowed for any amounts for which the entity
11 claims or receives an income tax credit, exemption or deduction.

12 D. Any credits allowed but not used in any tax year may be
13 carried over in order to each of the four (4) tax years following
14 the year of qualification.

15 E. 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~~ during the time
18 period beginning on July 1, 2010, and ending on June 30, 2012, for
19 which the credit would otherwise be allowable. ~~The provisions of~~
20 ~~this subsection shall cease to be operative on July 1, 2012.~~
21 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
22 may be claimed for any event, transaction, investment, expenditure
23 or other act occurring ~~on or after~~ during the time period beginning
24

1 on July 1, 2012, and ending on December 31, 2015, according to the
2 provisions of this section.

3 SECTION 9. AMENDATORY 68 O.S. 2011, Section 2357.30, is
4 amended to read as follows:

5 Section 2357.30. A. As used in this section, "small business"
6 means any corporation, partnership, sole proprietorship or other
7 business entity qualifying as "small" under the standards contained
8 in Section 121 of Title 13 of the Code of Federal Regulations (13
9 C.F.R., Section 121).

10 B. Except as otherwise provided in subsection E of this
11 section, for taxable years beginning after December 31, 1998, and
12 ending before January 1, 2016, every small business operating within
13 this state shall be entitled to claim as a credit against the tax
14 imposed by Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this
15 title, subject to the limitations provided by subsection C of this
16 section, any amount paid to the U.S. Small Business Administration
17 as a guaranty fee pursuant to the obtaining of financing guaranteed
18 by the Small Business Administration.

19 C. The credit authorized by this section shall only be claimed
20 against the tax liability resulting from income generated by the
21 small business. If an income tax return upon which this credit is
22 claimed includes taxable income from sources other than the small
23 business, the credit shall only be allowed to be claimed upon a
24 percentage of the income tax liability which does not exceed the

1 percentage of income generated by the small business as compared to
2 the total Oklahoma adjusted gross income shown on the return. The
3 Oklahoma Tax Commission shall promulgate rules and prescribe forms
4 to implement the provisions of this section.

5 D. If the credit authorized by this section exceeds the amount
6 of income taxes due or if there are no state income taxes due on the
7 income of the taxpayer as computed pursuant to the provisions of
8 subsection C of this section, the amount of the credit not used may
9 be carried forward as a credit against subsequent income tax
10 liability for a period not to exceed five (5) years. The credit
11 shall be claimable only by the small business which is the primary
12 obligor in the financing transaction and which actually paid the
13 guaranty fee.

14 E. No credit otherwise authorized by the provisions of this
15 section may be claimed for any event, transaction, investment,
16 expenditure or other act occurring ~~on or after~~ during the time
17 period beginning on July 1, 2010, and ending on June 30, 2012, for
18 which the credit would otherwise be allowable. ~~The provisions of~~
19 ~~this subsection shall cease to be operative on July 1, 2012.~~

20 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
21 may be claimed for any event, transaction, investment, expenditure
22 or other act occurring ~~on or after~~ during the time period beginning
23 on July 1, 2012, and ending on December 31, 2015, according to the
24 provisions of this section.

SECTION 10. AMENDATORY 68 O.S. 2011, Section 2357.32A,
is amended to read as follows:

Section 2357.32A. A. Except as otherwise provided in
subsection H of this section, for tax years beginning on or after
January 1, 2003, and ending before January 1, 2016, there shall be
allowed a credit against the tax imposed by Section 2355 of this
title to a taxpayer for the taxpayer's production and sale to an
unrelated person of electricity generated by zero-emission
facilities located in this state. As used in this section:

1. "Electricity generated by zero-emission facilities" means
electricity that is exclusively produced by any facility located in
this state with a rated production capacity of one megawatt (1 mw)
or greater, constructed for the generation of electricity and placed
in operation after June 4, 2001, which utilizes eligible renewable
resources as its fuel source. The construction and operation of
such facilities shall result in no pollution or emissions that are
or may be harmful to the environment, pursuant to a determination by
the Department of Environmental Quality; and

2. "Eligible renewable resources" means resources derived from:

- a. wind,
- b. moving water,
- c. sun, or
- d. geothermal energy.

1 B. For facilities placed in operation on or after January 1,
2 2003, and before January 1, 2007, the electricity generated on or
3 after January 1, 2003, but prior to January 1, 2004, the amount of
4 the credit shall be seventy-five one hundredths of one cent
5 (\$0.0075) for each kilowatt-hour of electricity generated by zero-
6 emission facilities. For electricity generated on or after January
7 1, 2004, but prior to January 1, 2007, the amount of the credit
8 shall be fifty one hundredths of one cent (\$0.0050) per kilowatt-
9 hour for electricity generated by zero-emission facilities. For
10 electricity generated on or after January 1, 2007, but prior to
11 January 1, 2012, the amount of the credit shall be twenty-five one
12 hundredths of one cent (\$0.0025) per kilowatt-hour of electricity
13 generated by zero-emission facilities. For facilities placed in
14 operation on or after January 1, 2007, and before January 1, 2016,
15 for the electricity generated by these facilities the amount of the
16 credit shall be fifty one hundredths of one cent (\$0.0050) for each
17 kilowatt-hour of electricity generated by zero-emission facilities.

18 C. Credits may be claimed with respect to electricity generated
19 on or after January 1, 2003, during a ten-year period following the
20 date that the facility is placed in operation on or after June 4,
21 2001.

22 D. If the credit allowed pursuant to this section exceeds the
23 amount of income taxes due or if there are no state income taxes due
24 on the income of the taxpayer, the amount of the credit allowed but

1 not used in any tax year may be carried forward as a credit against
2 subsequent income tax liability for a period not exceeding ten (10)
3 years.

4 E. Any nontaxable entities, including agencies of the State of
5 Oklahoma or political subdivisions thereof, shall be eligible to
6 establish a transferable tax credit in the amount provided in
7 subsection B of this section. Such tax credit shall be a property
8 right available to a state agency or political subdivision of this
9 state to transfer or sell to a taxable entity, whether individual or
10 corporate, who shall have an actual or anticipated income tax
11 liability under Section 2355 of this title. These tax credit
12 provisions are authorized as an incentive to the State of Oklahoma,
13 its agencies and political subdivisions to encourage the expenditure
14 of funds in the development, construction and utilization of
15 electricity from zero-emission facilities as defined in subsection A
16 of this section.

17 F. The amount of the credit allowed, but not used, shall be
18 freely transferable at any time during the ten (10) years following
19 the year of qualification. Any person to whom or to which a tax
20 credit is transferred shall have only such rights to claim and use
21 the credit under the terms that would have applied to the entity by
22 whom or by which the tax credit was transferred. The provisions of
23 this ~~subsection~~ paragraph shall not limit the ability of a tax
24 credit transferee to reduce the tax liability of the transferee,

1 regardless of the actual tax liability of the tax credit transferor,
2 for the relevant taxable period. The transferor initially allowed
3 the credit and any subsequent transferees shall jointly file a copy
4 of any written transfer agreement with the Oklahoma Tax Commission
5 within thirty (30) days of the transfer. The written agreement
6 shall contain the name, address and taxpayer identification number
7 or social security number of the parties to the transfer, the amount
8 of the credit being transferred, the year the credit was originally
9 allowed to the transferor, and the tax year or years for which the
10 credit may be claimed. The Tax Commission may promulgate rules to
11 permit verification of the validity and timeliness of the tax credit
12 claimed upon a tax return pursuant to this ~~subsection~~ paragraph but
13 shall not promulgate any rules that unduly restrict or hinder the
14 transfers of such tax credit. The tax credit allowed by this
15 section, upon the election of the taxpayer, may be claimed as a
16 payment of tax, a prepayment of tax or a payment of estimated tax
17 for purposes of Section 1803 or Section 2355 of this title.

18 G. For electricity generation produced and sold in a calendar
19 year, the tax credit allowed by the provisions of this section, upon
20 election of the taxpayer, shall be treated and may be claimed as a
21 payment of tax, a prepayment of tax or a payment of estimated tax
22 for purposes of Section 2355 of this title on or after July 1 of the
23 following calendar year.

24

1 H. No credit otherwise authorized by the provisions of this
2 section may be claimed for any event, transaction, investment,
3 expenditure or other act occurring ~~on or after~~ during the time
4 period beginning on July 1, 2010, and ending on June 30, 2011, for
5 which the credit would otherwise be allowable ~~until the provisions~~
6 ~~of this subsection shall cease to be operative on July 1, 2011.~~
7 Beginning July 1, 2011, the credit authorized by this section may be
8 claimed for any event, transaction, investment, expenditure or other
9 act occurring ~~on or after~~ during the time period beginning on July
10 1, 2010 and ending on December 31, 2015, according to the provisions
11 of this section. Any tax credits which accrue during the period of
12 July 1, 2010, through June 30, 2011, may not be claimed for any
13 period prior to the taxable year beginning January 1, 2012. No
14 credits which accrue during the period of July 1, 2010, through June
15 30, 2011, may be used to file an amended tax return for any taxable
16 year prior to the taxable year beginning January 1, 2012.

17 SECTION 11. AMENDATORY 68 O.S. 2011, Section 2357.33, is
18 amended to read as follows:

19 Section 2357.33. A. Except as otherwise provided by subsection
20 E of this section, for taxable years beginning after December 31,
21 1999, and ending before January 1, 2016, there shall be allowed a
22 credit against the tax imposed by Section 2355 of this title for
23 amounts paid by a taxpayer operating one or more food service
24

1 establishments for immunizations against Hepatitis A for employees
2 of the taxpayer who work in such establishments.

3 B. As used in this section, "food service establishment" means
4 an establishment where food or drink is offered for sale or sold to
5 the public and which is licensed pursuant to the provisions of
6 Section 1-1118 of Title 63 of the Oklahoma Statutes.

7 C. The amount of the credit allowed pursuant to the provisions
8 of this section for each employee of the taxpayer shall not exceed
9 the usual and customary fee that would be allowed for an
10 immunization against Hepatitis A as approved by the State and
11 Education Employees Group Insurance Board.

12 D. The credit provided by this section shall be available to
13 the taxpayer in the tax year in which an employee was immunized and
14 shall not carry forward to subsequent tax years. Such credit shall
15 not be refunded to the taxpayer.

16 E. No credit otherwise authorized by the provisions of this
17 section may be claimed for any event, transaction, investment,
18 expenditure or other act occurring ~~on or after~~ during the time
19 period beginning on July 1, 2010, and ending on June 30, 2012, for
20 which the credit would otherwise be allowable. ~~The provisions of~~
21 ~~this subsection shall cease to be operative on July 1, 2012.~~
22 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
23 may be claimed for any event, transaction, investment, expenditure
24 or other act occurring ~~on or after~~ during the time period beginning

1 on July 1, 2012, and ending on December 31, 2015, according to the
2 provisions of this section.

3 SECTION 12. AMENDATORY 68 O.S. 2011, Section 2357.41, is
4 amended to read as follows:

5 Section 2357.41. A. Except as otherwise provided by subsection
6 I of this section, for tax years beginning after December 31, 2000,
7 and ending before January 1, 2016, there shall be allowed a credit
8 against the tax imposed by Sections 2355 and 2370 of this title or
9 that portion of the tax imposed by Section 624 or 628 of Title 36 of
10 the Oklahoma Statutes that would otherwise have been apportioned to
11 the General Revenue Fund for qualified rehabilitation expenditures
12 incurred in connection with any certified historic hotel or historic
13 newspaper plant building located in an increment or incentive
14 district created pursuant to the Local Development Act or for
15 qualified rehabilitation expenditures incurred after January 1,
16 2006, in connection with any certified historic structure.

17 B. The amount of the credit shall be one hundred percent (100%)
18 of the federal rehabilitation credit provided for in Section 47 of
19 Title 26 of the United States Code. The credit authorized by this
20 section may be claimed at any time after the relevant local
21 governmental body responsible for doing so issues a certificate of
22 occupancy or other document that is a precondition for the
23 applicable use of the building or structure that is the basis upon
24 which the credit authorized by this section is claimed.

1 C. All requirements with respect to qualification for the
2 credit authorized by Section 47 of Title 26 of the United States
3 Code shall be applicable to the credit authorized by this section.

4 D. If the credit allowed pursuant to this section exceeds the
5 amount of income taxes due or if there are no state income taxes due
6 on the income of the taxpayer, the amount of the credit allowed but
7 not used in any taxable year may be carried forward as a credit
8 against subsequent income tax liability for a period not exceeding
9 ten (10) years following the qualified expenditures.

10 E. All rehabilitation work to which the credit may be applied
11 shall be reviewed by the State Historic Preservation Office which
12 will in turn forward the information to the National Park Service
13 for certification in accordance with 36 C.F.R., Part 67. A
14 certified historic structure may be rehabilitated for any lawful use
15 or uses, including without limitation mixed uses and still retain
16 eligibility for the credit provided for in this section.

17 F. The amount of the credit allowed for any credit claimed for
18 a certified historic hotel or historic newspaper plant building or
19 any certified historic structure, but not used, shall be freely
20 transferable, in whole or in part, to subsequent transferees at any
21 time during the five (5) years following the year of qualification.
22 Any person to whom or to which a tax credit is transferred shall
23 have only such rights to claim and use the credit under the terms
24 that would have applied to the entity by whom or by which the tax

1 credit was transferred. The provisions of this subsection shall not
2 limit the ability of a tax credit transferee to reduce the tax
3 liability of the transferee regardless of the actual tax liability
4 of the tax credit transferor for the relevant taxable period. The
5 transferor of the credit and the transferee shall jointly file a
6 copy of the written credit transfer agreement with the Oklahoma Tax
7 Commission within thirty (30) days of the transfer. Such filing of
8 the written credit transfer agreement with the ~~Oklahoma~~ Tax
9 Commission shall perfect such transfer. The written agreement shall
10 contain the name, address and taxpayer identification number of the
11 parties to the transfer, the amount of credit being transferred, the
12 year the credit was originally allowed to the transferor, the tax
13 year or years for which the credit may be claimed, and a
14 representation by the transferor that the transferor has neither
15 claimed for its own behalf nor conveyed such credits to any other
16 transferee. The Tax Commission shall develop a standard form for
17 use by subsequent transferees of the credit demonstrating
18 eligibility for the transferee to reduce its applicable tax
19 liabilities resulting from ownership of the credit. The Tax
20 Commission shall develop a system to record and track the transfers
21 of the credit and certify the ownership of the credit and may
22 promulgate rules to permit verification of the validity and
23 timeliness of a tax credit claimed upon a tax return pursuant to
24

1 this subsection but shall not promulgate any rules which unduly
2 restrict or hinder the transfers of such tax credit.

3 G. Notwithstanding any other provisions in this section, on or
4 after January 1, 2009, if a credit allowed pursuant to this section
5 which has been transferred is subsequently reduced as the result of
6 an adjustment by the Internal Revenue Service, Tax Commission, or
7 any other applicable government agency, only the transferor
8 originally allowed the credit and not any subsequent transferee of
9 the credit, shall be held liable to repay any amount of disallowed
10 credit.

11 H. As used in this section:

12 1. "Certified historic hotel or historic newspaper plant
13 building" means a hotel or newspaper plant building that is listed
14 on the National Register of Historic Places within thirty (30)
15 months of taking the credit pursuant to this section.

16 2. "Certified historic structure" means a building that is
17 listed on the National Register of Historic Places within thirty
18 (30) months of taking the credit pursuant to this section or a
19 building located in Oklahoma which is certified by the State
20 Historic Preservation Office as contributing to the historic
21 significance of a certified historic district listed on the National
22 Register of Historic Places, or a local district that has been
23 certified by the State Historic Preservation Office as eligible for
24 listing in the National Register of Historic Places; and

1 3. "Qualified rehabilitation expenditures" means capital
2 expenditures that qualify for the federal rehabilitation credit
3 provided in Section 47 of Title 26 of the United States Code and
4 that were paid after December 31, 2000. Qualified rehabilitation
5 expenditures do not include capital expenditures for nonhistoric
6 additions except an addition that is required by state or federal
7 regulations that relate to safety or accessibility. In addition,
8 qualified rehabilitation expenditures do not include expenditures
9 related to the cost of acquisition of the property.

10 I. No credit otherwise authorized by the provisions of this
11 section may be claimed for any event, transaction, investment,
12 expenditure or other act occurring on or after July 1, 2010, ~~for~~
13 ~~which the credit would otherwise be allowable until the provisions~~
14 ~~of this subsection shall cease to be operative on July 1, 2012~~
15 except as otherwise provided in this subsection. Beginning July 1,
16 2012, the credit authorized by this section may be claimed for any
17 event, transaction, investment, expenditure or other act occurring
18 on or after July 1, 2010, and before January 1, 2016, according to
19 the provisions of this section. Any tax credits which accrue during
20 the period of July 1, 2010, through June 30, 2012, may not be
21 claimed for any period prior to the taxable year beginning January
22 1, 2012. No credits which accrue during the period of July 1, 2010,
23 through June 30, 2012, may be used to file an amended tax return for
24

1 any taxable year prior to the taxable year beginning January 1,
2 2012.

3 SECTION 13. AMENDATORY 68 O.S. 2011, Section 2357.43, is
4 amended to read as follows:

5 Section 2357.43. For tax years beginning after December 31,
6 2001, and ending before January 1, 2016, there shall be allowed to a
7 resident individual or a part-year resident individual as a credit
8 against the tax imposed by Section 2355 of this title five percent
9 (5%) of the earned income tax credit allowed under Section 32 of the
10 Internal Revenue Code of the United States, 26 U.S.C., Section 32.
11 However, this credit shall not be paid in advance pursuant to the
12 provisions of Section 3507 of the Internal Revenue Code. If the
13 credit exceeds the tax imposed by Section 2355 of this title, the
14 excess amount shall be refunded to the taxpayer. The maximum earned
15 income tax credit allowable on the Oklahoma income tax return shall
16 be prorated on the ratio that Oklahoma adjusted gross income bears
17 to the federal adjusted gross income.

18 SECTION 14. AMENDATORY 68 O.S. 2011, Section 2357.45, is
19 amended to read as follows:

20 Section 2357.45. A. 1. For tax years beginning after December
21 31, 2004, and ending before January 1, 2016, there shall be allowed
22 against the tax imposed by Section 2355 of this title, a credit for
23 any taxpayer who makes a donation to an independent biomedical
24 research institute and for tax years beginning after December 31,

1 2010, and ending before January 1, 2016, a credit for any taxpayer
2 who makes a donation to a cancer research institute.

3 2. The credit authorized by paragraph 1 of this subsection
4 shall be limited as follows:

5 a. for calendar year 2007 and all subsequent years for
6 which the credit may be claimed, the credit
7 percentage, not to exceed fifty percent (50%), shall
8 be adjusted annually so that the total estimate of the
9 credits does not exceed Two Million Dollars
10 (\$2,000,000.00) annually. The formula to be used for
11 the percentage adjusted shall be fifty percent (50%)
12 times One Million Dollars (\$1,000,000.00) divided by
13 the credits claimed in the preceding year for each
14 donation to an independent biomedical research
15 institute and fifty percent (50%) times One Million
16 Dollars (\$1,000,000.00) divided by the credits claimed
17 in the preceding year for each donation to a cancer
18 research institute,

19 b. in no event shall a taxpayer claim more than one
20 credit for a donation to any independent biomedical
21 research institute and one credit for a donation to a
22 cancer research institute in each taxable year nor
23 shall the credit exceed One Thousand Dollars
24

1 (\$1,000.00) for each taxpayer for each type of
2 donation,

3 c. for tax year 2011, no more than Fifty Thousand Dollars
4 (\$50,000.00) in total tax credits for donations to a
5 cancer research institute shall be allowed,

6 d. in no event shall more than fifty percent (50%) of the
7 Two Million Dollars (\$2,000,000.00) in total tax
8 credits authorized by this section, for any calendar
9 year after ~~the effective date of this act~~ January 1,
10 2011, be allocated for credits for donations to a
11 cancer research institute, and

12 e. in the event the total tax credits authorized by this
13 section exceed One Million Dollars (\$1,000,000.00) in
14 any calendar year for either a cancer research
15 institute or an independent biomedical research
16 institute, the Oklahoma Tax Commission shall permit
17 any excess over One Million Dollars (\$1,000,000.00)
18 but shall factor such excess into the percentage
19 adjustment formula for subsequent years for that type
20 of donation. However, any such adjustment to the
21 formula for donations to an independent biomedical
22 research institute shall not affect the formula for
23 donations to a cancer research institute, and any such
24 adjustment to the formula for donations to a cancer

1 research institute shall not affect the formula for
2 donations to an independent biomedical research
3 institute.

4 3. For purposes of this section, "independent biomedical
5 research institute" means an organization which is exempt from
6 taxation pursuant to the provisions of Section 501(c)(3) of the
7 Internal Revenue Code, 26 U.S.C., Section 501(c)(3) whose primary
8 focus is conducting peer-reviewed basic biomedical research. The
9 organization shall:

- 10 a. have a board of directors,
- 11 b. be able to accept grants in its own name,
- 12 c. be an identifiable institute that has its own
13 employees and administrative staff, and
- 14 d. receive at least Fifteen Million Dollars
15 (\$15,000,000.00) in National Institute of Health
16 funding each year.

17 4. For purposes of this section, "cancer research institute"
18 means an organization which is exempt from taxation pursuant to the
19 Internal Revenue Code and whose primary focus is raising the
20 standard of cancer clinical care in Oklahoma through peer-reviewed
21 cancer research and education or a not-for-profit supporting
22 organization, as that term is defined by the Internal Revenue Code,
23 affiliated with a tax-exempt organization whose primary focus is
24 raising the standard of cancer clinical care in Oklahoma through

1 peer-reviewed cancer research and education. The tax-exempt
2 organization whose primary focus is raising the standard of cancer
3 clinical care in Oklahoma through peer-reviewed cancer research and
4 education shall:

5 a. either be an independent research institute or a
6 program that is part of a state university which is a
7 member of The Oklahoma State System of Higher
8 Education, and

9 b. receive at least Four Million Dollars (\$4,000,000.00)
10 in National Cancer Institute funding each year.

11 B. In no event shall the amount of the credit exceed the amount
12 of any tax liability of the taxpayer.

13 C. Any credits allowed but not used in any tax year may be
14 carried over, in order, to each of the four (4) years following the
15 year of qualification.

16 D. The Tax Commission shall have the authority to prescribe
17 forms for purposes of claiming the credit authorized by this
18 section.

19 SECTION 15. AMENDATORY 68 O.S. 2011, Section 2357.46, is
20 amended to read as follows:

21 Section 2357.46. A. Except as otherwise provided by subsection
22 G of this section, for tax years beginning after December 31, 2005,
23 and ending before January 1, 2016, there shall be allowed a credit
24 against the tax imposed by Section 2355 of ~~Title 68 of Oklahoma~~

1 ~~Statutes~~ this title for eligible expenditures incurred by a
2 contractor in the construction of energy efficient residential
3 property of two thousand (2,000) square feet or less. The amount of
4 the credit shall be based upon the following:

5 1. For any eligible energy efficient residential property
6 constructed and certified as forty percent (40%) or more above the
7 International Energy Conservation Code 2003 and any supplement in
8 effect at the time of completion, the amount of the credit shall be
9 equal to the eligible expenses, not to exceed Four Thousand Dollars
10 (\$4,000.00) for the taxpayer who is the contractor; and

11 2. For any eligible energy efficient residential property
12 constructed and certified as between twenty percent (20%) and
13 thirty-nine percent (39%) above the International Energy
14 Conservation Code 2003 and any supplement in effect at the time of
15 completion, the credit shall be equal to the eligible expenditures,
16 not to exceed Two Thousand Dollars (\$2,000.00) for the taxpayer who
17 is the contractor.

18 B. As used in this section:

19 1. "Eligible expenditure" means any:

- 20 a. energy efficient heating or cooling system,
21 b. insulation material or system which is specifically
22 and primarily designed to reduce the heat gain or loss
23 of a residential property when installed in or on such
24 property,

- c. exterior windows, including skylights,
- d. exterior doors, and
- e. any metal roof installed on a residential property, but only if such roof has appropriate pigmented coatings which are specifically and primarily designed to reduce the heat gain of such dwelling unit and which meet Energy Star program requirements;

2. "Contractor" means the taxpayer who constructed the residential property or manufactured home, or if more than one taxpayer qualifies as the contractor, the primary contractor; and

3. "Eligible energy efficient residential property" means a newly constructed residential property or manufactured home property which is located in the State of Oklahoma and substantially complete after December 31, 2005, and which is two thousand (2,000) square feet or less:

- a. for the credit provided pursuant to paragraph 1 of subsection A of this section, which is certified by an accredited Residential Energy Services Network Provider using the Home Energy Rating System to have:
 - (1) a level of annual heating and cooling energy consumption which is at least forty percent (40%) below the annual level of heating and cooling energy consumption of a comparable residential property constructed in accordance with the

standards of Chapter 4 of the 2003 International Energy Conservation Code, as such code is in effect on ~~the effective date of this act~~ November 1, 2005,

(2) heating and cooling equipment efficiencies which correspond to the minimum allowed under the regulations established by the Department of Energy pursuant to the National Appliance Energy Conservation Act of 1987 and in effect at the time of construction of the property, and

(3) building envelope component improvements which account for at least one-fifth of the reduced annual heating and cooling energy consumption levels,

b. for the credit provided pursuant to paragraph 2 of subsection A of this section, which is certified by an accredited Residential Energy Services Network Provider using the Home Energy Rating System to have:

(1) a level of annual heating and cooling energy consumption which is between twenty percent (20%) and thirty-nine percent (39%) below the annual level of heating and cooling energy consumption of a comparable residential property constructed in accordance with the standards of Chapter 4 of

1 the 2003 International Energy Conservation Code,
2 as such code is in effect on ~~the effective date~~
3 ~~of this act~~ November 1, 2005,

4 (2) heating and cooling equipment efficiencies which
5 correspond to the minimum allowed under the
6 regulations established by the Department of
7 Energy pursuant to the National Appliance Energy
8 Conservation Act of 1987 and in effect at the
9 time of construction of the property, and

10 (3) building envelope component improvements which
11 account for at least one-third of the reduced
12 annual heating and cooling energy consumption
13 levels.

14 C. The credit provided for in subsection A of this section may
15 only be claimed once for the contractor of any eligible residential
16 energy efficient property during the taxable year when the property
17 is substantially complete.

18 D. If the credit allowed pursuant to this section exceeds the
19 amount of income taxes due or if there are no state income taxes due
20 on the income of the taxpayer, the amount of credit allowed but not
21 used in any taxable year may be carried forward as a credit against
22 subsequent income tax liability for a period not exceeding four (4)
23 years following the qualified expenditures.

1 E. For credits earned on or after ~~the effective date of this~~
2 ~~act~~ August 25, 2006, the credits authorized by this section shall be
3 freely transferable to subsequent transferees.

4 F. The Oklahoma Tax Commission shall promulgate rules necessary
5 to implement this act.

6 G. No credit otherwise authorized by the provisions of this
7 section may be claimed for any event, transaction, investment,
8 expenditure or other act occurring ~~on or after~~ during the time
9 period beginning on July 1, 2010, and ending on June 30, 2012, for
10 which the credit would otherwise be allowable. ~~The provisions of~~
11 ~~this subsection shall cease to be operative on July 1, 2012.~~

12 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
13 may be claimed for any event, transaction, investment, expenditure
14 or other act occurring ~~on or after~~ during the time period beginning
15 on July 1, 2012, and ending on December 31, 2015, according to the
16 provisions of this section.

17 SECTION 16. AMENDATORY 68 O.S. 2011, Section 2357.47, is
18 amended to read as follows:

19 Section 2357.47. A. 1. Except as otherwise provided in
20 subsection D of this section, for tax years beginning after December
21 31, 2005, and ending before January 1, 2016, there shall be allowed
22 against the tax imposed by Section 2355 of this title, a credit for
23 eligible wages paid by an employer to an employee. The amount of
24 the credit shall be ten percent (10%) of the amount of the gross

1 wages paid to the employee for a period not to exceed ninety (90)
2 days but in no event shall the credit exceed Five Thousand Dollars
3 (\$5,000.00) for each employee of each taxpayer. In no event shall
4 the total credit claimed exceed Twenty-five Thousand Dollars
5 (\$25,000.00) in any one year for any taxpayer.

6 2. Except as otherwise provided by subsection D of this
7 section, for tax years beginning after December 31, 2005, and ending
8 before January 1, 2016, there shall be allowed against the tax
9 imposed by Section 2355 of this title, a credit for eligible
10 modification expenses of an employer. The amount of the credit
11 shall be fifty percent (50%) of the amount of the funds expended for
12 eligible modification expenses or new tools or equipment but in no
13 event shall the credit exceed One Thousand Dollars (\$1,000.00) for
14 eligible modification expenses incurred for any single employee. In
15 no event shall the total credit claimed exceed Ten Thousand Dollars
16 (\$10,000.00) in any year for any taxpayer.

17 3. As used in this section:

18 a. "employee", "employer", "maximum medical improvement",
19 "treating physician", and "wages" shall be defined as
20 in ~~Section 3 of Title 85 of the Oklahoma Statutes~~ The
21 Workers' Compensation Code,

22 b. "eligible wages" means gross wages paid by an employer
23 to an employee who is injured as a result of an injury
24 which is compensable under the Workers' Compensation

1 Act and which are paid beginning when the employee
2 returns to work with restricted duties as provided by
3 the employee's treating physician or an independent
4 medical examiner before the employee has reached
5 maximum medical improvement, and ending after ninety
6 (90) days or when the employee has reached maximum
7 medical improvement, and

8 c. "eligible modification expenses" means expenses
9 incurred by an employer to modify a workplace, tools
10 or equipment or to obtain new tools or equipment and
11 which are incurred by an employer solely to enable a
12 specific injured employee who is injured as a result
13 of an injury which is compensable under the Workers'
14 Compensation Act to return to work with restricted
15 duties as provided by the employee's treating
16 physician or an independent medical examiner before
17 the employee has reached maximum medical improvement,
18 and which workplace, tools or equipment are used
19 primarily by the injured employee.

20 B. In no event shall the amount of the credit(s) exceed the
21 amount of any tax liability of the taxpayer.

22 C. The Oklahoma Tax Commission shall have the authority to
23 promulgate rules necessary to effectuate the purposes of this
24 section.

1 D. No credit otherwise authorized by the provisions of this
2 section may be claimed for any event, transaction, investment,
3 expenditure or other act occurring ~~on or after~~ during the time
4 period beginning on July 1, 2010, and ending on June 30, 2012, for
5 which the credit would otherwise be allowable. ~~The provisions of~~
6 ~~this subsection shall cease to be operative on July 1, 2012.~~
7 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
8 may be claimed for any event, transaction, investment, expenditure
9 or other act occurring ~~on or after~~ during the time period beginning
10 on July 1, 2012, and ending on December 31, 2015, according to the
11 provisions of this section.

12 SECTION 17. AMENDATORY 68 O.S. 2011, Section 2357.81, is
13 amended to read as follows:

14 Section 2357.81. A. Subject to the limitation imposed pursuant
15 to subsection C of Section 842 of Title 62 of the Oklahoma Statutes
16 and except as otherwise provided by subsection F of this section,
17 for taxable years beginning after December 31, 2000, and ending
18 before January 1, 2016, there shall be allowed as a credit against
19 the tax imposed pursuant to Section 2355 of ~~Title 68 of the Oklahoma~~
20 ~~Statutes~~ this title, an amount equal to one hundred percent (100%)
21 of the amount of ad valorem taxes exempted pursuant to the
22 provisions of Section 860 of Title 62 of the Oklahoma Statutes for
23 an enterprise locating a new facility within or expanding an
24 existing facility within an enterprise zone as designated pursuant

1 to Section 690.2 of ~~Title 68 of the Oklahoma Statutes~~ this title if
2 such facility is also located within an incentive district.

3 B. The income tax credit authorized by this section shall only
4 be available, to the extent otherwise allowable and except as
5 otherwise provided by subsection F of this section, for ad valorem
6 taxes for which an exemption has been provided pursuant to Section
7 860 of Title 62 of the Oklahoma Statutes on or after January 1,
8 2001. The county assessor of the county in which the facility is
9 located, or any part of the facility, shall provide an annual
10 certification to the Oklahoma Tax Commission not later than January
11 31 of each calendar year as to the amount of ad valorem taxes which
12 would have been payable by the owner of the facility without the
13 exemption provided by Section 860 of Title 62 of the Oklahoma
14 Statutes.

15 C. In order to claim the credit authorized by this section, the
16 taxpayer shall obtain a certification from the local governing body
17 approving the incentive district which shall be acknowledged by the
18 chief elected official of the local governing body. The
19 certification shall be signed by the Director of the Oklahoma
20 Department of Commerce or designee, that the facility is located
21 within an enterprise zone. The signature required by this
22 subsection shall be acknowledged in the manner provided by law.

23 D. The credit authorized by this section shall be allowable
24 only to the extent of ad valorem taxes which would have been levied

1 upon the taxable value of real property and improvements physically
2 attached to real property constituting the eligible facility without
3 the exemption provided by Section 860 of Title 62 of the Oklahoma
4 Statutes and shall not be allowable to the extent that the credit is
5 claimed for ad valorem taxes which would have been levied upon the
6 taxable value of personal property of the enterprise even if the
7 incentive granted by the participating governmental entities in the
8 incentive district includes personal property.

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

14 F. No credit otherwise authorized by the provisions of this
15 section may be claimed for any event, transaction, investment,
16 expenditure or other act occurring ~~on or after~~ during the time
17 period beginning on July 1, 2010, and ending on June 30, 2012, for
18 which the credit would otherwise be allowable. ~~The provisions of~~
19 ~~this subsection shall cease to be operative on July 1, 2012.~~
20 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
21 may be claimed for any event, transaction, investment, expenditure
22 or other act occurring ~~on or after~~ during the time period beginning
23 on July 1, 2012, and ending on December 31, 2015, according to the
24 provisions of this section.

SECTION 18. AMENDATORY 68 O.S. 2011, Section 2357.101,
is amended to read as follows:

Section 2357.101. A. Except as otherwise provided in
subsection E of this section, for taxable years beginning after
December 31, 2004, and ending before January 1, 2016, there shall be
allowed against the tax imposed by Section 2355 of ~~Title 68 of the~~
~~Oklahoma Statutes~~ this title, a credit equal to twenty-five percent
(25%) of the amount of profit made by a taxpayer from investment in
an existing Oklahoma film or music project with a production company
to pay for production costs that is reinvested by the taxpayer with
the production company to pay for the production cost of the
production company for a new Oklahoma film or music project.

B. In no event shall the amount of the credit provided for in
subsection A of this section for an eligible taxpayer exceed the tax
liability of the taxpayer in a calendar year.

C. The Oklahoma Tax Commission shall have the authority to
prescribe forms for purposes of claiming the credit authorized in
subsection A of this section. The forms shall include, but not be
limited to, requests for information that prove who the investment
was with, the amount of the original investment and the amount of
the profit realized from the investment.

D. As used in this section:

1. "Film" means a professional single media, multimedia program
or feature, which is not child pornography as defined in subsection

1 A of Section 1024.1 of Title 21 of the Oklahoma Statutes or obscene
2 material as defined in paragraph 1 of subsection B of Section 1024.1
3 of Title 21 of the Oklahoma Statutes including, but not limited to,
4 national advertising messages that are broadcast on a national
5 affiliate or cable network, fixed on film or digital video, which
6 can be viewed or reproduced and which is exhibited in theaters,
7 licensed for exhibition by individual television stations, groups of
8 stations, networks, cable television stations or other means or
9 licensed for home viewing markets;

10 2. "Music project" means a professional recording released on a
11 national or international level, whether via traditional
12 manufacturing or distributing or electronic distribution, using
13 technology currently in use or future technology including, but not
14 limited to, music CDs, radio commercials, jingles, cues, or
15 electronic device recordings;

16 3. "Production company" means a person who produces a film or
17 music project for exhibition in theaters, on television or
18 elsewhere;

19 4. "Total production cost" includes, but is not limited to:

- 20 a. wages or salaries of persons who have earned income
21 from working on a film or music project in this state,
22 including payments to personal services corporations
23 with respect to the services of qualified performing
24

1 artists, as determined under Section 62(a)(A) of the
2 Internal Revenue Code,

3 b. the cost of construction and operations, wardrobe,
4 accessories and related services,

5 c. the cost of photography, sound synchronization,
6 lighting and related services,

7 d. the cost of editing and related services,

8 e. rental of facilities and equipment, and

9 f. other direct costs of producing a film or music
10 project;

11 5. "Existing Oklahoma film or music project" means a film or
12 music project produced after July 1, 2005;

13 6. "Profit" means the amount made by the taxpayer to be
14 determined as follows:

15 a. the gross revenues less gross expenses, including
16 direct production, distribution and marketing costs
17 and an allocation of indirect overhead costs, of the
18 film or music project shall be multiplied by,

19 b. a ratio, the numerator of which is Oklahoma production
20 costs, as defined in paragraph 7 of this subsection,
21 and the denominator of which is total production
22 costs, as defined in paragraph 4 of this subsection,
23 which shall be multiplied by,
24

- 1 c. the percent of the taxpayer's taxable income allocated
2 to Oklahoma in a taxable year, and
- 3 d. subtract from the result of the formula calculated
4 pursuant to subparagraphs a through c of this
5 paragraph the profit made by a taxpayer from
6 investment in an existing Oklahoma film or music
7 project in previous taxable years. Profit shall
8 include either a net profit or net loss;

9 7. "Oklahoma production cost" means that portion of total
10 production costs which are incurred with any qualified vendor;

- 11 8. a. "Qualified vendor" means an Oklahoma entity which
12 provides goods or services to a production company and
13 for which:

14 (1) fifty percent (50%) or more of its employees are
15 Oklahoma residents, and

16 (2) fifty percent (50%) or more of gross wages, as
17 reported on Internal Revenue Service Form W-2 or
18 Form 1099, are paid to Oklahoma residents.

- 19 b. For purposes of this paragraph, an employee shall
20 include a self-employed individual reporting income
21 from a qualified vendor on Internal Revenue Service
22 Form 1040.

- 23 c. The Oklahoma Tax Commission shall prescribe forms by
24 which an entity may be certified to a production

1 company as a qualified vendor for purposes of this
2 section; and

3 9. "Investment" means costs associated with the original
4 production company. Film or music projects acquired from an
5 original production company do not qualify as investment under
6 subsection A of this section.

7 E. No credit otherwise authorized by the provisions of this
8 section may be claimed for any event, transaction, investment,
9 expenditure or other act occurring ~~on or after~~ during the time
10 period beginning on July 1, 2010, and ending on June 30, 2012, for
11 which the credit would otherwise be allowable. ~~The provisions of~~
12 ~~this subsection shall cease to be operative on July 1, 2012.~~

13 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
14 may be claimed for any event, transaction, investment, expenditure
15 or other act occurring ~~on or after~~ during the time period beginning
16 on July 1, 2012, and ending on December 31, 2015, according to the
17 provisions of this section.

18 SECTION 19. AMENDATORY 68 O.S. 2011, Section 2357.102,
19 is amended to read as follows:

20 Section 2357.102. A. Except as otherwise provided by
21 subsection G of this section, for taxable years beginning after
22 December 31, 2005, and ending before January 1, 2016, there shall be
23 allowed a credit against the tax imposed by Section 2355 of ~~Title 68~~
24 ~~of the Oklahoma Statutes~~ this title for the cost of the purchase of

1 a dry fire hydrant or the cost to provide an acceptable means of
2 water storage for such dry fire hydrant including a pond, tank, or
3 other storage facility with the primary purpose of fire protection
4 within the State of Oklahoma. The credit shall be equal to fifty
5 percent (50%) of the purchase price of the dry fire hydrant or the
6 actual expenditure for any new water storage construction,
7 equipment, development and installation of the dry hydrant,
8 including pipes, valves, hydrants, and labor for each installation
9 of a dry hydrant or new water storage facility but in no event shall
10 the amount of the credit exceed Five Thousand Dollars (\$5,000.00)
11 for each taxpayer.

12 B. In order to qualify for the tax credit provided for in
13 subsection A of this section, the dry fire hydrant or new water
14 storage facility must meet the following minimum requirements:

15 1. Each body of water or water storage structure must be able
16 to provide two hundred fifty (250) gallons per minute for a
17 continuous two-hour period during a fifty-year drought or freeze at
18 a vertical lift of eighteen (18) feet;

19 2. Each dry fire hydrant must be located within twenty-five
20 (25) feet of an all-weather roadway and must be accessible to fire
21 protection equipment; and

22 3. Dry fire hydrants shall be located a reasonable distance
23 from other dry or pressurized hydrants.

24

1 C. In no event shall the amount of the credit exceed the amount
2 of any tax liability of the taxpayer.

3 D. Any credits allowed but not used in any tax year may be
4 carried over, in order, to each of the four (4) years following the
5 year of qualification.

6 E. The Oklahoma Tax Commission and the State Fire Marshal
7 Commission shall promulgate rules to establish the requirements for
8 the construction of a dry fire hydrant or new water storage facility
9 and permit verification of eligibility of a dry fire hydrant or new
10 water storage facility for the credit provided for in subsection A
11 of this section.

12 F. As used in this section, "dry fire hydrant" means
13 nonpressurized pipes permanently installed in lakes, farm ponds, and
14 streams that provide a ready means of drawing water.

15 G. 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~~ during the time
18 period beginning on July 1, 2010, and ending on June 30, 2012, for
19 which the credit would otherwise be allowable. ~~The provisions of~~
20 ~~this subsection shall cease to be operative on July 1, 2012.~~
21 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
22 may be claimed for any event, transaction, investment, expenditure
23 or other act occurring ~~on or after~~ during the time period beginning
24

1 on July 1, 2012, and ending on December 31, 2015, according to the
2 provisions of this section.

3 SECTION 20. AMENDATORY 68 O.S. 2011, Section 2357.104,
4 is amended to read as follows:

5 Section 2357.104. A. Except as otherwise provided by
6 subsection G of this section, for taxable years beginning after
7 December 31, 2005, and ending before January 1, 2016, there shall be
8 allowed a credit against the tax imposed by Section 2355 of this
9 title equal to fifty percent (50%) of an eligible taxpayer's
10 qualified railroad reconstruction or replacement expenditures.

11 B. 1. Except as provided in paragraph 2 of this subsection,
12 the amount of the credit shall be limited to the product of Five
13 Hundred Dollars (\$500.00) for tax year 2007 and Two Thousand Dollars
14 (\$2,000.00) for tax year 2008 and subsequent tax years and the
15 number of miles of railroad track owned or leased within this state
16 by the eligible taxpayer as of the close of the taxable year.

17 2. In tax year 2009 and subsequent tax years, a taxpayer may
18 elect to increase the limit provided in paragraph 1 of this
19 subsection to an amount equal to three times the limit specified in
20 paragraph 1 of this subsection for qualified expenditures made in
21 the tax year, provided the taxpayer may only claim one third (1/3)
22 of the credit in any one taxable period.

23 C. The credit allowed pursuant to subsection A of this section
24 but not used shall be freely transferable, by written agreement, to

1 subsequent transferees at any time during the five (5) years
2 following the year of qualification. An eligible transferee shall
3 be any taxpayer subject to the tax imposed by Section 2355 of this
4 title. The person originally allowed the credit and the subsequent
5 transferee shall jointly file a copy of the written credit transfer
6 agreement with the Oklahoma Tax Commission within thirty (30) days
7 of the transfer. The written agreement shall contain the name,
8 address and taxpayer identification number of the parties to the
9 transfer, the amount of credit being transferred, the year the
10 credit was originally allowed to the transferring person and the tax
11 year or years for which the credit may be claimed. The Tax
12 Commission shall promulgate rules to permit verification of the
13 timeliness of a tax credit claimed upon a tax return pursuant to
14 this subsection but shall not promulgate any rules which unduly
15 restrict or hinder the transfers of such tax credit. The Department
16 of Transportation shall promulgate rules to permit verification of
17 the eligibility of an eligible taxpayer's expenditures for the
18 purpose of claiming the credit. The rules shall provide for the
19 approval of qualified railroad reconstruction or replacement
20 expenditures prior to commencement of a project and provide a
21 certificate of verification upon completion of a project that uses
22 qualified railroad reconstruction or replacement expenditures. The
23 certificate of verification shall satisfy all requirements of the
24

1 Tax Commission pertaining to the eligibility of the person claiming
2 the credit.

3 D. Any credits allowed pursuant to the provisions of subsection
4 A of this section but not used in any tax year may be carried over
5 in order to each of the five (5) years following the year of
6 qualification.

7 E. A taxpayer who elects to increase the limitation on the
8 credit under paragraph 2 of subsection B of this section shall not
9 be granted additional credits under subsection A of this section
10 during the period of such election.

11 F. As used in this section:

12 1. "Class II and Class III railroad" means a railroad that is
13 classified by the United States Surface Transportation Board as a
14 Class II or Class III railroad;

15 2. "Eligible taxpayer" means any Class II or Class III
16 railroad; and

17 3. "Qualified railroad reconstruction or replacement
18 expenditures" means expenditures for:

19 a. reconstruction or replacement of railroad
20 infrastructure including track, roadbed, bridges,
21 industrial leads and track-related structures owned or
22 leased by a Class II or Class III railroad as of
23 January 1, 2006, or
24

1 b. new construction of industrial leads, switches, spurs
2 and sidings and extensions of existing sidings by a
3 Class II or Class III railroad.

4 G. No credit otherwise authorized by the provisions of this
5 section may be claimed for any event, transaction, investment,
6 expenditure or other act occurring ~~on or after~~ during the time
7 period beginning on July 1, 2010, and ending on June 30, 2012, for
8 which the credit would otherwise be allowable. ~~The provisions of~~
9 ~~this subsection shall cease to be operative on July 1, 2012.~~
10 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
11 may be claimed for any event, transaction, investment, expenditure
12 or other act occurring ~~on or after~~ during the time period beginning
13 on July 1, 2012, and ending on December 31, 2015, according to the
14 provisions of this section.

15 SECTION 21. AMENDATORY 68 O.S. 2011, Section 2357.203,
16 is amended to read as follows:

17 Section 2357.203. A. As used in this section:

18 1. "Nonqualified operating expenditures" means labor costs,
19 salary and other compensation, whether direct or indirect, paid to
20 directors, officers, limited liability company members, limited
21 liability company managers, partners or other principals or
22 employees of the business entity;

23 2. "Qualified direct costs" means expenditures, other than
24 nonqualified operating expenditures, to construct dog kennels,

1 fences, pens, training areas for canines, structures for office
2 space or other improvements to real property necessary for the
3 proper training of a specially trained canine, including the cost of
4 food, water, veterinary expenses and other costs directly related to
5 the operation of the training facility; and

6 3. "Specially trained canines" means dogs that are raised by a
7 person who is officially licensed as a dog breeder by the United
8 States Department of Agriculture.

9 B. Except as provided in subsection F of this section, for
10 taxable years beginning after December 31, 2005, and ending before
11 January 1, 2016, there shall be allowed a credit against the tax
12 imposed pursuant to Section 2355 of ~~Title 68 of the Oklahoma~~
13 ~~Statutes~~ this title in the amount of fifty percent (50%) of the
14 qualified direct costs associated with the operation of a business
15 enterprise the principal purpose of which is the rearing of
16 specially trained canines.

17 C. The provisions of this section shall not be applicable to
18 nonqualified operating expenditures.

19 D. The credit authorized by this section shall not be used to
20 reduce the tax liability of the taxpayer to less than zero (0). Any
21 credits authorized by this section claimed for a taxable year which
22 are unable to be used may be carried over, in order, to each of the
23 five (5) subsequent taxable years.

1 E. The Oklahoma Tax Commission shall be authorized to prescribe
2 such forms as may be necessary in order to administer the tax credit
3 authorized by this section. The Tax Commission may request such
4 additional documentation as may be required from the taxpayer in
5 order to verify the eligibility for the credit authorized by this
6 section.

7 F. No credit otherwise authorized by the provisions of this
8 section may be claimed for any event, transaction, investment,
9 expenditure or other act occurring ~~on or after~~ during the time
10 period beginning on July 1, 2010, and ending on June 30, 2012, for
11 which the credit would otherwise be allowable. ~~The provisions of~~
12 ~~this subsection shall cease to be operative on July 1, 2012.~~
13 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
14 may be claimed for any event, transaction, investment, expenditure
15 or other act occurring ~~on or after~~ during the time period beginning
16 on July 1, 2012, and ending on December 31, 2015, according to the
17 provisions of this section.

18 SECTION 22. AMENDATORY 68 O.S. 2011, Section 2357.206,
19 is amended to read as follows:

20 Section 2357.206. A. This act shall be known and may be cited
21 as the "Oklahoma Equal Opportunity Education Scholarship Act".

22 B. 1. Except as provided in subsection E of this section,
23 after ~~the effective date of this act~~ August 26, 2011, and before
24 January 1, 2016, there shall be allowed a credit for any taxpayer

1 who makes a contribution to an eligible scholarship-granting
2 organization. The credit shall be equal to fifty percent (50%) of
3 the total amount of contributions made during a taxable year, not to
4 exceed One Thousand Dollars (\$1,000.00) for single individuals, Two
5 Thousand Dollars (\$2,000.00) for married individuals filing jointly,
6 or One Hundred Thousand Dollars (\$100,000.00) for any taxpayer which
7 is a legal business entity including limited and general
8 partnerships, corporations, and limited liability companies;
9 provided, if total credits claimed pursuant to this paragraph exceed
10 the caps established pursuant to paragraph 2 of this subsection, the
11 credit shall be equal to the taxpayer's proportionate share of the
12 cap for the taxable year, as determined pursuant to subsection G of
13 this section.

14 2. a. The total credits authorized by paragraph 1 of this
15 subsection for all single individuals and married
16 individuals filing jointly shall not exceed One
17 Million Seven Hundred Fifty Thousand Dollars
18 (\$1,750,000.00) annually.

19 b. The total credits authorized by paragraph 1 of this
20 subsection for all other taxpayers not subject to
21 subparagraph a of this paragraph shall not exceed One
22 Million Seven Hundred Fifty Thousand Dollars
23 (\$1,750,000.00) annually.

1 c. Each cap on total credits as provided for in this
2 paragraph shall be allocated by the Oklahoma Tax
3 Commission as provided in subsection G of this
4 section.

5 C. 1. Except as provided in subsection E of this section,
6 ~~after the effective date of this act~~ August 26, 2011 and before
7 January 1, 2016, there shall be allowed a credit for any taxpayer
8 who makes a contribution to an eligible educational improvement
9 grant organization. The credit shall be equal to fifty percent
10 (50%) of the total amount of contributions made during a taxable
11 year, not to exceed One Thousand Dollars (\$1,000.00) for single
12 individuals, Two Thousand Dollars (\$2,000.00) for married
13 individuals filing jointly, or One Hundred Thousand Dollars
14 (\$100,000.00) for any taxpayer which is a legal business entity
15 including limited and general partnerships, corporations, and
16 limited liability companies; provided, if total credits claimed
17 pursuant to this paragraph exceed the cap established pursuant to
18 paragraph 3 of this subsection, the credit shall be equal to the
19 taxpayer's proportionate share of the cap for the taxable year, as
20 determined pursuant to subsection G of this section.

21 2. For any taxpayer who makes a contribution to an eligible
22 educational improvement grant organization and makes a written
23 commitment to contribute the same amount for two (2) additional
24 consecutive years the credit shall be equal to seventy-five percent

1 (75%) of the total amount of the contribution established in
2 paragraph 1 of this subsection, not to exceed the amounts
3 established in paragraph 1 of this subsection for the taxable year
4 in which the credit provided in this subsection is claimed;
5 provided, if total credits claimed pursuant to this paragraph exceed
6 the cap established pursuant to paragraph 3 of this subsection, the
7 credit shall be equal to the taxpayer's proportionate share of the
8 cap for the taxable year, as determined pursuant to subsection G of
9 this section. The taxpayer shall provide evidence of the written
10 commitment to the Oklahoma Tax Commission at the time of filing the
11 refund claim.

12 3. a. The total credits authorized by paragraph 1 of this
13 subsection for all single individuals, married
14 individuals filing jointly and for all other taxpayers
15 shall not exceed One Million Five Hundred Thousand
16 Dollars (\$1,500,000.00) annually.

17 b. The cap on total credits as provided for in this
18 paragraph shall be allocated by the Oklahoma Tax
19 Commission as provided in subsection G of this
20 section.

21 D. For credits claimed for eligible contributions made during
22 tax year 2014 and thereafter, a credit shall not be allowed by the
23 Oklahoma Tax Commission for contributions made to a scholarship-
24 granting organization or an educational improvement grant

1 organization if that organization's percentage of funds actually
2 awarded is less than ninety percent (90%). For purposes of this
3 section, the "percentage of funds actually awarded" shall be
4 determined by dividing the total amount of funds actually awarded as
5 educational scholarships or educational improvement grants over the
6 most recent twenty-four (24) months by the total amount available to
7 award as educational scholarships or educational improvement grants
8 over the most recent twenty-four (24) months.

9 E. Any tax credits which are earned by a taxpayer pursuant to
10 this section during the time period beginning on ~~the effective date~~
11 ~~of this act~~ August 26, 2011 through December 31, 2012, may not be
12 claimed for any period prior to the taxable year beginning January
13 1, 2013. No credits which accrue during the time period beginning
14 on ~~the effective date of this act~~ August 26, 2011 through December
15 31, 2012, may be used to file an amended tax return for any taxable
16 year prior to the taxable year beginning January 1, 2013.

17 F. As used in this section:

18 1. "Eligible student" means a child of school age who is
19 lawfully present in the United States and who is a member of a
20 household in which the total annual income during the preceding tax
21 year does not exceed an amount equal to three hundred percent (300%)
22 of the income standard used to qualify for a free or reduced school
23 lunch or who, during the immediately preceding school year, attended
24 or, by virtue of the location of such student's place of residence,

1 was eligible to attend a public school in this state which has been
2 identified for school improvement as determined by the State Board
3 of Education pursuant to the requirements of the No Child Left
4 Behind Act of 2001, P.L. No. 107-110. Once a student has received
5 an educational scholarship, as defined in paragraph 3 of this
6 subsection, the student and any siblings who are members of the same
7 household shall remain eligible until they graduate from high school
8 or reach twenty-one (21) years of age, whichever occurs first;

9 2. "Eligible special needs student" means a child of school age
10 who has attended public school in our state with an individualized
11 education program pursuant to the Individuals With Disabilities
12 Education Act, 20 U.S.C.A., Section 1400 et seq.;

13 3. "Educational scholarships" means:

14 a. scholarships to an eligible student of up to Five
15 Thousand Dollars (\$5,000.00) or eighty percent (80%)
16 of the average per-pupil expenditure in the school
17 district where the recipient student resides,
18 whichever is greater, to cover all or part of the
19 tuition, fees and transportation costs of a qualified
20 school which is accredited by the State Board of
21 Education or an accrediting association approved by
22 the Board pursuant to Section 3-104 of Title 70 of the
23 Oklahoma Statutes, or
24

1 b. scholarships to an eligible special needs student of
2 up to Twenty-five Thousand Dollars (\$25,000.00) to
3 cover all or part of the tuition, fees and
4 transportation costs of a qualified school for
5 eligible special needs students which is accredited by
6 the State Board of Education or an accrediting
7 association approved by the Board pursuant to Section
8 3-104 of Title 70 of the Oklahoma Statutes;

9 4. "Low-income eligible student" means an eligible student or
10 eligible special needs student who qualifies for a free or reduced-
11 price lunch;

12 5. "Qualified school" means an elementary or secondary private
13 school in this state, including schools which provide
14 prekindergarten educational programs for four-year-olds, which:

- 15 a. is accredited by the State Board of Education or an
16 accrediting association approved by the Board pursuant
17 to Section 3-104 of Title 70 of the Oklahoma Statutes,
18 b. is in compliance with all applicable health and safety
19 laws and codes,
20 c. has a stated policy against discrimination in
21 admissions on the basis of race, color, national
22 origin or disability, and
23
24

d. ensures academic accountability to parents and guardians of students through regular progress reports;

6. "Qualified school for eligible special needs students" means an elementary or secondary private school in a county in this state;

7. "Scholarship-granting organization" means an organization which:

a. is a nonprofit entity exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3),

b. distributes periodic scholarship payments as checks made out to an eligible student's or eligible special needs student's parent or guardian and mailed to the qualified school where the student is enrolled,

c. spends no more than ten percent (10%) of its annual revenue on expenditures other than educational scholarships as defined in paragraph 3 of this subsection,

d. spends each year a portion of its expenditures on educational scholarships for low-income eligible students, as defined in paragraph 4 of this subsection, in an amount equal to or greater than the percentage of low-income eligible students in the state,

- 1 e. ensures that scholarships are portable during the
2 school year and can be used at any qualified school
3 that accepts the eligible student or at any qualified
4 school for special needs students that accepts the
5 eligible special needs student,
- 6 f. registers with the Oklahoma Tax Commission as a
7 scholarship-granting organization, and
- 8 g. has policies in place to:
- 9 (1) carry out criminal background checks on all
10 employees and board members to ensure that no
11 individual is involved with the organization who
12 might reasonably pose a risk to the appropriate
13 use of contributed funds, and
- 14 (2) maintain full and accurate records with respect
15 to the receipt of contributions and expenditures
16 of those contributions and supply such records
17 and any other documentation required by the Tax
18 Commission to demonstrate financial
19 accountability;

20 8. "Annual revenue" means the total amount or value of
21 contributions received by an organization from taxpayers awarded
22 credits during the organization's fiscal year and all amounts earned
23 from interest or investments;
24

1 9. "Public school" means public schools as defined in Section
2 1-106 of Title 70 of the Oklahoma Statutes;

3 10. "Eligible school" means any public school that is not
4 located within a ten-mile radius of a qualified school in this
5 state, or any public school that is located within a ten-mile radius
6 of a qualified school in this state but offers grade-level
7 instruction different from the qualified school or any public school
8 located within a public school district with fewer than four
9 thousand five hundred (4,500) students;

10 11. "Early childhood education program" means a program
11 provided to children who are at least four (4) years of age but not
12 more than five (5) years of age on or before September 1;

13 12. "Innovative educational program" means an advanced academic
14 or academic improvement program that is not part of the regular
15 coursework of a public school but that enhances the curriculum or
16 academic program of the school or provides early childhood education
17 programs to students;

18 13. "Educational improvement grant" means a grant to an
19 eligible public school to implement an innovative educational
20 program for students, including the ability for multiple public
21 schools to make an application and be awarded a grant to jointly
22 provide an innovative educational program; and

23 14. "Educational improvement grant organization" means an
24 organization which:

- 1 a. is a nonprofit entity exempt from taxation pursuant to
2 the provisions of the Internal Revenue Code, 26
3 U.S.C., Section 501(c)(3), and
- 4 b. contributes at least ninety percent (90%) of its
5 annual receipts as grants to eligible schools for
6 innovative educational programs. For purposes of this
7 subparagraph, an educational improvement grant
8 organization contributes its annual cash receipts when
9 it expends or otherwise irrevocably encumbers those
10 funds for expenditure during the then current fiscal
11 year of the organization or during the next succeeding
12 fiscal year of the organization.

13 G. Total credits authorized by this section shall be allocated
14 as follows:

15 1. By January 10 of the year immediately following each
16 calendar year, a scholarship-granting organization or an educational
17 improvement grant organization which accepts contributions pursuant
18 to this section shall provide electronically to the Tax Commission
19 information on each contribution accepted during such taxable year.
20 At least once each taxable year, the scholarship-granting
21 organization or the educational improvement grant organization shall
22 notify each contributor that Oklahoma law provides for a total,
23 statewide cap on the amount of income tax credits allowed annually;
24

1 2. a. If the Tax Commission determines the total combined
2 credits claimed for contributions made to scholarship-
3 granting organizations during the most recently
4 completed calendar year by all single individual
5 taxpayers and married individuals filing jointly are
6 in excess of One Million Seven Hundred Fifty Thousand
7 Dollars (\$1,750,000.00), plus any additional amount
8 allocated pursuant to subsection H of this section,
9 the Tax Commission shall determine the percentage of
10 the contribution which establishes the proportionate
11 share of the credit which may be claimed by any
12 taxpayer so that the maximum credits authorized by
13 subparagraph a of paragraph 2 of subsection B of this
14 section are not exceeded.

15 b. If the Tax Commission determines the total combined
16 credits claimed for contributions made to scholarship-
17 granting organizations during the most recently
18 completed calendar year by all taxpayers not subject
19 to subparagraph a of this paragraph are in excess of
20 One Million Seven Hundred Fifty Thousand Dollars
21 (\$1,750,000.00), plus any additional amount allocated
22 pursuant to subsection H of this section, the Tax
23 Commission shall determine the percentage of the
24 contribution which establishes the proportionate share

1 of the credit which may be claimed by any taxpayer so
2 that the maximum credits authorized by subparagraph b
3 of paragraph 2 of subsection B of this section are not
4 exceeded.

5 c. If the Tax Commission determines the total combined
6 credits claimed for contributions made to educational
7 improvement grant organizations during the most
8 recently completed calendar year by all single
9 individual taxpayers, married individuals filing
10 jointly and all other taxpayers are in excess of One
11 Million Five Hundred Thousand Dollars (\$1,500,000.00),
12 plus any additional amount allocated pursuant to
13 subsection H of this section, the Tax Commission shall
14 determine the percentage of the contribution which
15 establishes the proportionate share of the credit
16 which may be claimed by any taxpayer so that the
17 maximum credits authorized by subparagraph a of
18 paragraph 3 of subsection C of this section are not
19 exceeded; and

20 3. The Tax Commission shall publish the percentage of the
21 contribution which may be claimed as a credit by contributors for
22 the most recently completed calendar year on the Tax Commission
23 website no later than February 15 of each calendar year for
24 contributions made the previous year. Each scholarship-granting

1 organization or educational improvement grant organization shall
2 notify contributors of that amount annually.

3 H. The provisions of this subsection shall be applicable with
4 respect to any calendar year for which any one of the tax credit
5 pools is fully utilized and for which one or both of the remaining
6 tax credit pool amounts are not fully utilized.

7 1. If for any calendar year there is any amount of available
8 credit remaining pursuant to the provisions of paragraph 2 of
9 subsection G of this section, and only one of the other tax credit
10 pools has been fully utilized, the remaining amount from the tax
11 credit pool which was not fully utilized shall be allocated to and
12 added to the total tax credit pool amount for the other tax credit.

13 2. If for any calendar year there is any amount of available
14 credit remaining pursuant to the provisions of paragraph 2 of
15 subsection G of this section, and the other two tax credit pools
16 have both been fully utilized, the remaining amount from the tax
17 credit pool which was not fully utilized shall be divided by the
18 whole number two (2) and the resulting amount shall be allocated to
19 and added to the amount of available tax credits for each of the
20 other tax credit pools.

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

23

24

1 J. Any credits allowed but not used in any tax year may be
2 carried over, in order, to each of the three (3) years following the
3 year of qualification.

4 K. 1. In order to qualify under this section, an educational
5 improvement grant organization shall submit an application with
6 information to the Oklahoma Tax Commission on a form prescribed by
7 the Tax Commission that:

8 a. enables the Tax Commission to confirm that the
9 organization is a nonprofit entity exempt from
10 taxation pursuant to the provisions of the Internal
11 Revenue Code, 26 U.S.C., Section 501(c)(3), and

12 b. describes the proposed innovative educational program
13 or programs supported by the organization.

14 2. The Tax Commission shall review and approve or disapprove
15 the application, in consultation with the State Department of
16 Education.

17 3. In order to maintain eligibility under this section, an
18 educational improvement grant organization shall annually report the
19 following information to the Tax Commission by September 1 of each
20 year:

21 a. the name of the innovative educational program or
22 programs and the total amount of the grant or grants
23 made to those programs during the immediately preceding
24 school year,

- 1 b. a description of how each grant was utilized during the
2 immediately preceding school year and a description of
3 any demonstrated or expected innovative educational
4 improvements,
5 c. the names of the public school and school districts
6 where innovative educational programs that received
7 grants during the immediately preceding school year
8 were implemented,
9 d. where the organization collects information on a
10 county-by-county basis, and
11 e. the total number and total amount of grants made during
12 the immediately preceding school year for innovative
13 educational programs at public school by each county in
14 which the organization made grants.

15 4. The information required under paragraph 3 of this
16 subsection shall be submitted on a form provided by the Tax
17 Commission. No later than May 1 of each year, the Tax Commission
18 shall annually distribute sample forms together with the forms on
19 which the reports are required to be made to each approved
20 organization.

21 5. The Tax Commission shall not require any other information
22 be provided by an organization, except as expressly authorized in
23 this section.
24

1 L. In consultation with the State Department of Education, the
2 Tax Commission shall promulgate rules necessary to implement this
3 act. The rules shall include procedures for the registration of a
4 scholarship-granting organization or an educational improvement
5 grant organization for purposes of determining if the organization
6 meets the requirements of this act, for the revocation of the
7 registration of an organization, if applicable, and for notice as
8 required in subsection G of this section.

9 SECTION 23. AMENDATORY 68 O.S. 2011, Section 2357.401,
10 is amended to read as follows:

11 Section 2357.401. A. Except as otherwise provided by
12 subsections B and C of this section, for taxable years beginning
13 January 1, 2009, and ending before January 1, 2016, there shall be
14 allowed a credit against the tax imposed pursuant to Section 2355 of
15 ~~Title 68 of the Oklahoma Statutes~~ this title in the amount of all
16 electronic funds transfers fees paid by an individual or entity
17 pursuant to ~~Section 11 of this act~~ Section 2-503.1j of Title 63 of
18 the Oklahoma Statutes.

19 B. For any fees paid by a person or entity for the taxable year
20 beginning January 1, 2009, the credit otherwise authorized by this
21 section shall not be claimed for an individual prior to January 1,
22 2011. Subject to the requirements of this subsection, an individual
23 taxpayer shall be able to claim the credit authorized by this
24 section for all fees paid during the tax year ending December 31,

1 2009, and the tax year ending December 31, 2010, on the income tax
2 return filed for the tax year ending December 31, 2010.

3 C. For any fees paid by an entity other than a natural person
4 for the taxable year beginning January 1, 2009, the credit otherwise
5 authorized by this section shall not be claimed on an income tax
6 return prior to January 1, 2011. Subject to the requirements of
7 this subsection, an entity other than a natural person shall be able
8 to claim the credit authorized by this section for all fees paid
9 during a tax year ending at any time during calendar year 2009 and
10 for all fees paid during calendar year 2010 on the income tax return
11 filed for the tax year ending not later than December 31, 2010.

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

15 E. To the extent not used in any taxable year, the credit
16 authorized by this section may be carried over, in order, to each of
17 the five (5) succeeding taxable years.

18 SECTION 24. AMENDATORY 68 O.S. 2011, Section 2357.402,
19 is amended to read as follows:

20 Section 2357.402. A. As used in this section:

21 1. "Electric motor vehicle" means a new motor vehicle
22 originally equipped to be propelled only by electricity and that may
23 be legally operated on both interstate highways and turnpikes in
24 this state and that is eligible for registration pursuant to the

1 Oklahoma Vehicle License and Registration Act. The term does not
2 include:

3 a. medium-speed electric motor vehicles, or

4 b. low-speed electric motor vehicles;

5 2. "Electric motor vehicle manufacturer" means an entity that
6 has received a manufacturer exemption permit pursuant to the
7 provisions of Section 1359.2 of ~~Title 68 of the Oklahoma Statutes~~
8 this title. Adding modifications to existing electric motor
9 vehicles, existing medium-speed electric motor vehicles or existing
10 low-speed electric motor vehicles shall not be considered
11 manufacturing for purposes of this section;

12 3. "Low-speed electric motor vehicle" means a new four-wheeled
13 electrical vehicle that is powered by an electric motor that draws
14 current from rechargeable storage batteries or other sources of
15 electrical current and whose top speed is greater than twenty (20)
16 miles per hour but not greater than twenty-five (25) miles per hour
17 and is manufactured in compliance with the National Highway Traffic
18 Safety Administration standards as contained in 49 C.F.R. 571.500.
19 In order to be eligible the vehicle must be eligible for
20 registration pursuant to the Oklahoma Vehicle License and
21 Registration Act; and

22 4. "Medium-speed electric motor vehicle" means any self-
23 propelled, electrically powered four-wheeled motor vehicle, equipped
24 with a roll cage or crush-proof body design, whose speed attainable

1 in one (1) mile is more than thirty (30) miles per hour but not
2 greater than thirty-five (35) miles per hour and, other than the
3 speed requirement, is manufactured in compliance with the National
4 Highway Traffic Safety Administration standards as contained in 49
5 C.F.R. 571.500. In order to be eligible the vehicle must be
6 eligible for registration pursuant to the Oklahoma Vehicle License
7 and Registration Act.

8 B. ~~There~~ For taxable years ending before January 1, 2016, there
9 shall be allowed a one-time credit to electric motor vehicle
10 manufacturers against the income tax imposed by Section 2355 of
11 ~~Title 68 of the Oklahoma Statutes~~ this title for electric motor
12 vehicles, medium-speed electric motor vehicles and low-speed
13 electric motor vehicles manufactured after June 30, 2010.

14 C. The credit provided for in subsection B of this section
15 shall be as follows:

16 1. For an electric motor vehicle defined in paragraph 1 of
17 subsection A of this section a per-vehicle-manufactured credit of
18 Two Thousand Dollars (\$2,000.00);

19 2. For a medium-speed electric motor vehicle defined in
20 paragraph 4 of subsection A of this section a per-vehicle-
21 manufactured credit of One Thousand Dollars (\$1,000.00); and

22 3. For a low-speed electric motor vehicle defined in paragraph
23 3 of subsection A of this section a per-vehicle-manufactured credit
24 of Five Hundred Dollars (\$500.00).

1 D. If the tax credit allowed pursuant to this section exceeds
2 the amount of income taxes due or if there are no state income taxes
3 due on the income of the taxpayer, the amount of the credit not used
4 as an offset against the income taxes of a taxable year may be
5 carried forward as a credit against subsequent income tax liability
6 for a period not to exceed five (5) years.

7 E. The Oklahoma Tax Commission is herein empowered to
8 promulgate rules by which the purpose of this section shall be
9 administered.

10 F. The credit authorized by this section shall not be claimed
11 with respect to any one vehicle based upon multiple definitions as
12 set out in subsection A of this section even if such vehicle would
13 otherwise qualify for tax credits based upon qualification pursuant
14 to more than one definition.

15 SECTION 25. AMENDATORY 68 O.S. 2011, Section 2358.7, as
16 amended by Section 2, Chapter 161, O.S.L. 2012 (68 O.S. Supp. 2012,
17 Section 2358.7), is amended to read as follows:

18 Section 2358.7. A. For taxable years beginning after December
19 31, 2004, and ending before January 1, 2016, there shall be allowed
20 as a credit against the tax imposed pursuant to Section 2355 of this
21 title an amount equal to:

22 1. Two Hundred Dollars (\$200.00) each year for which a
23 volunteer firefighter provides proof of certification as required by
24 subsection B of this section; and

1 2. Four Hundred Dollars (\$400.00) each year following the
2 taxable years for which a taxpayer is eligible for the credit
3 provided by paragraph 1 of this subsection for a volunteer
4 firefighter providing proof of certification as required by
5 subsection D of this section.

6 B. In order to claim the tax credit authorized by paragraph 1
7 of subsection A of this section, a volunteer firefighter shall be
8 required to provide adequate documentation to the Oklahoma Tax
9 Commission of at least twelve (12) credited hours toward the State
10 Support or State Basic Firefighter or Firefighter I from an
11 internationally recognized accrediting assembly or board, their
12 equivalent, or other related fire or emergency medical services
13 training approved by the Council on Firefighter Training and offered
14 by Oklahoma State University Fire Service Training or Oklahoma
15 Department of Career and Technology Education prior to or during the
16 first taxable year for which a tax credit is claimed pursuant to
17 paragraph 1 of subsection A of this section. For the purpose of
18 this subsection, the local fire chief shall be the authority having
19 jurisdiction and shall choose and approve all volunteer firefighter
20 training in the applicable department.

21 C. For each year subsequent to the first year for which a
22 volunteer firefighter may claim the tax credit authorized by
23 paragraph 1 of subsection A of this section, in order to claim any
24 further tax credits pursuant to paragraph 1 of subsection A of this

1 section, the volunteer firefighter shall be required to provide
2 documentation that the firefighter has completed an additional six
3 (6) hours of State Support or State Basic Firefighter or Firefighter
4 I from an internationally recognized accrediting assembly or board,
5 their equivalent, or other related fire or emergency medical
6 services training approved by the Council on Firefighter Training
7 until such program or its equivalent is completed. For purposes of
8 this subsection, equivalency shall be determined by the Oklahoma
9 Council on Firefighter Training and Oklahoma State University Fire
10 Service Training. For purposes of this subsection, Firefighter I or
11 Firefighter II certifications or their equivalents may be provided
12 in lieu of the State Support or State Basic Firefighter completion.

13 D. After having completed the State Support or State Basic
14 Firefighter program, in order to be eligible for the tax credit
15 authorized by paragraph 2 of subsection A of this section, the
16 volunteer firefighter shall:

17 1. Complete at least six (6) hours of continuing education each
18 year until the volunteer firefighter completes Intermediate or
19 Advanced Firefighter or Firefighter I from an internationally
20 recognized accrediting assembly or board, their equivalent, or other
21 related fire or emergency medical services training approved by the
22 Council on Firefighter Training or its equivalent. For purposes of
23 this paragraph, equivalency shall be determined by the Oklahoma
24

1 Council on Firefighter Training and Oklahoma State University Fire
2 Service Training;

3 2. After completion of Intermediate or Advanced Firefighter or
4 Firefighter I from an internationally recognized accrediting
5 assembly or board, their equivalent, or other related fire or
6 emergency medical services training approved by the Council on
7 Firefighter Training, the volunteer firefighter shall complete six
8 (6) hours of training per year to claim the tax credit. For the
9 purpose of this subsection, the local fire chief shall be the
10 authority having jurisdiction and shall choose and approve all
11 volunteer firefighter training in the applicable department;

12 3. Provide documentation from the fire chief of the applicable
13 department that the firefighter has been provided and participated
14 in all annual training as required by federal and state authorities;
15 and

16 4. Provide documentation from the fire chief of the applicable
17 department that the volunteer firefighter has met the requirements
18 under the fire department's constitution and bylaws and is a member
19 in good standing of the department together with a record of the
20 total number of years of service in good standing with such
21 department.

22 E. The Office of the State Fire Marshal and the Oklahoma
23 Council on Firefighter Training shall prescribe a reporting form for
24

1 use by volunteer fire departments and by volunteer firefighters in
2 order to provide the certifications required by this section.

3 F. The Oklahoma Tax Commission may require copies of such
4 reporting form provided by the Oklahoma Council on Firefighter
5 Training regarding training history to verify eligibility for the
6 tax credits provided by this section.

7 SECTION 26. AMENDATORY 68 O.S. 2011, Section 2370, is
8 amended to read as follows:

9 Section 2370. A. For taxable years beginning after December
10 31, 1989, for the privilege of doing business within this state,
11 every state banking association, national banking association and
12 credit union organized under the laws of this state, located or
13 doing business within the limits of the State of Oklahoma shall
14 annually pay to this state a privilege tax at the rate of six
15 percent (6%) of the amount of the taxable income as provided in this
16 section.

17 B. 1. The privilege tax levied by this section shall be in
18 addition to the Business Activity Tax levied in Section 1218 of this
19 title and the franchise tax levied in Article 12 of this title and
20 in lieu of the tax levied by Section 2355 of this title and in lieu
21 of all taxes levied by the State of Oklahoma, or any subdivision
22 thereof, upon the shares of stock or personal property of any
23 banking association or credit union subject to taxation under this
24 section.

1 2. Nothing in this section shall be construed to exempt the
2 real property of any banking associations or credit unions from
3 taxation to the same extent, according to its value, as other real
4 property is taxed. Nothing herein shall be construed to exempt an
5 association from payment of any fee or tax authorized or levied
6 pursuant to the banking laws.

7 3. Personal property which is subject to a lease agreement
8 between a bank or credit union, as lessor, and a nonbanking business
9 entity or individual, as lessee, is not exempt from personal
10 property ad valorem taxation. Provided further, that it shall be
11 the duty of the lessee of such personal property to return sworn
12 lists or schedules of their taxable property within each county to
13 the county assessor of such county as provided in Sections 2433 and
14 2434 of this title.

15 C. Any tax levied under this section shall accrue on the last
16 day of the taxable year and be payable as provided in Section 2375
17 of this title. The accrual of such tax for the first taxable year
18 to which this act applies, shall apply notwithstanding the prior
19 accrual of a tax in the same taxable year based upon the net income
20 of the next preceding taxable year; provided, however, any
21 additional deduction enuring to the benefit of the taxpayer shall be
22 deducted in accordance with the optional transitional deduction
23 procedures in Section 2354 of this title.

1 D. The basis of the tax shall be United States taxable income
2 as defined in paragraph 10 of Section 2353 of this title and any
3 adjustments thereto under the provisions of Section 2358 of this
4 title with the following adjustments:

5 1. There shall be deducted all interest income on obligations
6 of the United States government and agencies thereof not otherwise
7 exempted and all interest income on obligations of the State of
8 Oklahoma or political subdivisions thereof, including public trust
9 authorities, not otherwise exempted under the laws of this state;
10 and

11 2. Expense deductions claimed in arriving at taxable income
12 under paragraph 10 of Section 2353 of this title shall be reduced by
13 an amount equal to fifty percent (50%) of excluded interest income
14 on obligations of the United States government or agencies thereof
15 and obligations of the State of Oklahoma or political subdivisions
16 thereof.

17 E. 1. Except as otherwise provided in paragraph 2 of this
18 subsection, for taxable years ending before January 1, 2016, there
19 shall be allowed a credit against the tax levied in subsection A of
20 this section in an amount equal to the amount of taxable income
21 received by a participating financial institution as defined in
22 Section 90.2 of Title 62 of the Oklahoma Statutes pursuant to a loan
23 made under the Rural Economic Development Loan Act. Such credit
24 shall be limited each year to five percent (5%) of the amount of

1 annual payroll certified by the Oklahoma Rural Economic Development
2 Loan Program Review Board pursuant to the provisions of paragraph 3
3 of subsection B of Section 90.4 of Title 62 of the Oklahoma Statutes
4 with respect to the loan made by the participating financial
5 institution and may be claimed for any number of years necessary
6 until the amount of total credits claimed is equal to the total
7 amount of taxable income received by the participating financial
8 institution pursuant to the loan. Any credit allowed but not used
9 in a taxable year may be carried forward for a period not to exceed
10 five (5) taxable years. In no event shall a credit allowed pursuant
11 to the provisions of this subsection be transferable or refundable.

12 2. No credit otherwise authorized by the provisions of this
13 ~~subsection~~ section may be claimed for any event, transaction,
14 investment, expenditure or other act occurring ~~on or after~~ during
15 the time period beginning on July 1, 2010, and ending on June 30,
16 2012, for which the credit would otherwise be allowable. ~~The~~
17 ~~provisions of this paragraph shall cease to be operative on July 1,~~
18 ~~2012. Beginning July 1, 2012, the~~ The credit authorized by this
19 ~~subsection~~ section may be claimed for any event, transaction,
20 investment, expenditure or other act occurring ~~on or after~~ during
21 the time period beginning on July 1, 2012, and ending on December
22 31, 2015, according to the provisions of this ~~subsection~~ section.

23 SECTION 27. AMENDATORY 68 O.S. 2011, Section 2370.3, is
24 amended to read as follows:

1 Section 2370.3. A. There shall be allowed a credit against the
2 tax imposed by Section 2370 of ~~Title 68 of the Oklahoma Statutes~~
3 this title for any state banking association, national banking
4 association, or credit union domiciled in this state for the amount
5 of the origination fee paid by the banking association or credit
6 union to the United States Department of Education pursuant to the
7 "Stafford" loan guaranty program for an Oklahoma resident.

8 B. Except as provided in subsection F of this section, the
9 credit authorized by this section may be claimed for origination
10 fees paid on or after July 1, 2007, and before January 1, 2016.

11 C. No credit may be claimed pursuant to this section if,
12 pursuant to the agreement between the banking association or credit
13 union and the student to which proceeds are made available, the
14 banking association or credit union adds the amount of the U.S.
15 Department of Education origination fee to the amount financed by
16 the borrower or in any other way recovers the origination fee amount
17 from the borrower.

18 D. The credit authorized by this section may be claimed, and if
19 not fully used in the initial year for which the credit is claimed,
20 may be carried over, in order, to each of the five (5) succeeding
21 taxable years. The credit authorized by this section may not be
22 used to reduce the tax liability of the credit claimant below zero
23 (0).
24

1 E. The Oklahoma Tax Commission shall prepare a report regarding
2 the amount of tax credits claimed as authorized by this section.
3 The report shall be submitted to the Speaker of the House of
4 Representatives and to the President Pro Tempore of the Senate not
5 later than March 31 of each year.

6 F. No credit otherwise authorized by the provisions of this
7 section may be claimed for any event, transaction, investment,
8 expenditure or other act occurring ~~on or after~~ during the time
9 period beginning on July 1, 2010, and ending on June 30, 2012, for
10 which the credit would otherwise be allowable. ~~The provisions of~~
11 ~~this subsection shall cease to be operative on July 1, 2012.~~
12 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
13 may be claimed for any event, transaction, investment, expenditure
14 or other act occurring ~~on or after~~ during the time period beginning
15 on July 1, 2012, and ending on December 31, 2015, according to the
16 provisions of this section.

17 SECTION 28. AMENDATORY 68 O.S. 2011, Section 2905, is
18 amended to read as follows:

19 Section 2905. The provisions of Sections 2904 through 2911 of
20 this title shall apply only to persons sixty-five (65) years of age
21 or older or to any totally disabled person, who is head of a
22 household, was a resident of and domiciled in this state during the
23 entire preceding calendar year, and whose gross household income
24 does not exceed the amount of Twelve Thousand Dollars (\$12,000.00)

1 for any calendar year and may be claimed only for taxable years
2 ending before January 1, 2016. The provisions of these sections
3 shall be administered by the Oklahoma Tax Commission, which shall
4 devise and furnish appropriate forms for claims, reports of
5 household income, proof of property taxes paid, and such other forms
6 as may be deemed necessary to support claims made pursuant to said
7 sections.

8 SECTION 29. AMENDATORY 68 O.S. 2011, Section 5011, is
9 amended to read as follows:

10 Section 5011. A. Except as otherwise provided by this section,
11 beginning with the calendar year 1990 and for each calendar year
12 through 1998, and for calendar year 2003, any individual who is a
13 resident of and is domiciled in this state during the entire
14 calendar year for which the filing is made and whose gross household
15 income for such year does not exceed Twelve Thousand Dollars
16 (\$12,000.00) may file a claim for sales tax relief.

17 B. For calendar years 1999, 2002 and 2004, any individual who
18 is a resident of and is domiciled in this state during the entire
19 calendar year for which the filing is made may file a claim for
20 sales tax relief if the gross household income for such year does
21 not exceed the following amounts:

22 1. For an individual not subject to the provisions of paragraph
23 2 of this subsection and claiming no allowable personal exemption
24 other than the allowable personal exemption for that individual or

1 the spouse of that individual, Fifteen Thousand Dollars
2 (\$15,000.00); or

3 2. For an individual claiming one or more allowable personal
4 exemptions other than the allowable personal exemption for that
5 individual or the spouse of that individual, an individual with a
6 physical disability constituting a substantial handicap to
7 employment, or an individual who is sixty-five (65) years of age or
8 older at the close of the tax year, Thirty Thousand Dollars
9 (\$30,000.00).

10 C. For calendar years 2000, 2001, ~~2005 and following~~ and 2005
11 through 2015, an individual who is a resident of and is domiciled in
12 this state during the entire calendar year for which the filing is
13 made may file a claim for sales tax relief if the gross household
14 income for such year does not exceed the following amounts:

15 1. For an individual not subject to the provisions of paragraph
16 2 of this subsection and claiming no allowable personal exemption
17 other than the allowable personal exemption for that individual or
18 the spouse of that individual, Twenty Thousand Dollars (\$20,000.00);
19 or

20 2. For an individual claiming one or more allowable personal
21 exemptions other than the allowable personal exemption for that
22 individual or the spouse of that individual, an individual with a
23 physical disability constituting a substantial handicap to
24 employment, or an individual who is sixty-five (65) years of age or

1 older at the close of the tax year, Fifty Thousand Dollars
2 (\$50,000.00) .

3 D. The amount of the claim filed pursuant to the Sales Tax
4 Relief Act shall be Forty Dollars (\$40.00) multiplied by the number
5 of allowable personal exemptions. As used in the Sales Tax Relief
6 Act, "allowable personal exemption" means a personal exemption to
7 which the taxpayer would be entitled pursuant to the provisions of
8 the Oklahoma Income Tax Act, except for:

9 1. The exemptions such taxpayer would be entitled to pursuant
10 to Section 2358 of this title if such taxpayer or spouse is blind or
11 sixty-five (65) years of age or older at the close of the tax year;

12 2. An exemption for a person convicted of a felony if during
13 all or any part of the calendar year for which the claim is filed
14 such person was an inmate in the custody of the Department of
15 Corrections; or

16 3. An exemption for a person if during all or any part of the
17 calendar year for which the claim is filed such person resided
18 outside of this state.

19 E. A person convicted of a felony shall not be permitted to
20 file a claim for sales tax relief pursuant to the provisions of
21 Sections 5010 through 5016 of this title for the period of time
22 during which the person is an inmate in the custody of the
23 Department of Corrections. Such period of time shall include the
24 entire calendar year if the person is in the custody of the

1 Department of Corrections during any part of the calendar year. The
2 provisions of this subsection shall not prohibit all other members
3 of the household of an inmate from filing a claim based upon the
4 personal exemptions to which the household members would be entitled
5 pursuant to the provisions of the Oklahoma Income Tax Act.

6 F. The Department of Corrections shall withhold up to fifty
7 percent (50%) of any money inmates receive for claims made pursuant
8 to the Sales Tax Relief Act prior to September 1, 1991, for costs of
9 incarceration.

10 G. For purposes of Section 139.105 of Title 17 of the Oklahoma
11 Statutes, the gross household income of any individual who may file
12 a claim for sales tax relief shall not exceed Twelve Thousand
13 Dollars (\$12,000.00).

14 SECTION 30. AMENDATORY 68 O.S. 2011, Section 54006, is
15 amended to read as follows:

16 Section 54006. A. Except as provided in subsection F of this
17 section, for taxable years beginning after December 31, 1992, and
18 before January 1, 2003, and for taxable years beginning after
19 December 31, 2005, and before January 1, 2016, there shall be
20 allowed a credit against the tax imposed by Section 2355 of this
21 title for a net increase in the number of full-time-equivalent
22 employees engaged in computer services, data processing or research
23 and development as defined in Section 54003 of this title, in this
24 state including employees engaged in support services.

1 B. The credit provided for in subsection A of this section
2 shall be allowed in each of the four (4) subsequent years only if
3 the level of new employees is maintained in the subsequent year;
4 provided, such credit shall be allowed in each of the eight (8)
5 subsequent years only if the level of new employees is maintained in
6 the subsequent year and if the credit is taken for taxable years
7 beginning after December 31, 2005. In calculating the credit by the
8 number of new employees, only those employees whose paid wages or
9 salary were at least Thirty-five Thousand Dollars (\$35,000.00)
10 during each year the credit is claimed shall be included in the
11 calculation. The number of new employees shall be determined by
12 comparing the monthly average number of full-time employees subject
13 to Oklahoma income tax withholding for the final quarter of the
14 taxable year with the corresponding period of the prior taxable
15 year, as substantiated by such reports as may be required by the Tax
16 Commission.

17 C. For credits taken for taxable years beginning after December
18 31, 1992, and before January 1, 2003, in order to be eligible to
19 receive the credit provided for in subsection A of this section, a
20 new or expanding business shall not include the existing employee
21 positions of any business enterprise that is directly or
22 beneficially owned by a corporation, trust, joint venture,
23 proprietorship, or partnership doing business in this state as of
24 January 1, 1992. For credits taken for taxable years beginning

1 after December 31, 2005, in order to be eligible to receive the
2 credit provided for in subsection A of this section, a new or
3 expanding business shall not include the existing employee positions
4 of any business enterprise that is directly or beneficially owned by
5 a corporation, trust, joint venture, proprietorship, or partnership
6 doing business in this state as of January 1, 2005.

7 D. The credit allowed by subsection A of this section shall be
8 Five Hundred Dollars (\$500.00) for each new employee, but not to
9 exceed fifty new employees.

10 E. Any credits allowed but not used in any taxable year may be
11 carried over in order to each of the four (4) years following the
12 year of qualification and to the extent not used in those years in
13 order to each of the five (5) years following the initial five-year
14 period.

15 F. 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~~ during the time
18 period beginning on July 1, 2010, and ending on June 30, 2012, for
19 which the credit would otherwise be allowable. ~~The provisions of~~
20 ~~this subsection shall cease to be operative on July 1, 2012.~~
21 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
22 may be claimed for any event, transaction, investment, expenditure
23 or other act occurring ~~on or after~~ during the time period beginning
24

1 on July 1, 2012, and ending on December 31, 2015, according to the
2 provisions of this section.

3 SECTION 31. This act shall become effective November 1, 2013.

4 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
5 February 12, 2013 - DO PASS AS AMENDED
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