

STATE OF OKLAHOMA

1st Session of the 54th Legislature (2013)

SENATE BILL 323

By: Mazzei

AS INTRODUCED

An Act relating to income and premium taxes; amending 27A O.S. 2011, Section 2-11-303, which relates to income tax; limiting time period during which specified credits may be claimed; deleting applicability provision; amending 68 O.S. 2011, Sections 2357, 2357.4, 2357.6, 2357.11, 2357.24, 2357.26, 2357.27, 2357.30, 2357.32A, 2357.33, 2357.41, 2357.43, 2357.45, 2357.46, 2357.47, 2357.81, 2357.101, 2357.102, 2357.104, 2357.203, 2357.206 2357.401, 2357.402, 2358.7, 2370, 2370.3, 2905, 5011 and 54006, which relate to tax credits; limiting time period during which credit may be claimed for taxes paid to another state, based upon federal child or child care expenses, for amount of gas used in manufacturing, for investment in certain property and net increase in employment, for certain contributions to specified fund, for mining and other activities related to coal, for sale of national historic landmark, for expenses incurred for providing child care services for employees, for expenses incurred for entities engaged in the business of child care, for certain amounts paid as a guaranty fee, for sale of specified electricity, for amounts paid for certain immunizations, for qualified historic rehabilitation expenditures, for a percentage of federal earned income tax credit, for donations to certain research institutes, for energy efficient residential construction, for certain eligible wages and modification expenses, for ad valorem taxes for facility locating in certain district, for profit from investment in specified film or music project, for costs of purchase of dry fire hydrant, for qualified railroad reconstruction or replacement expenditures, for qualified direct costs associated with specially trained canine business, for donations

1 to certain organizations, for electronic fund
2 transfer fees, for electric motor vehicle
3 manufacturer; for obtaining certain certification;
4 for payment of bank privilege tax, for payment of
5 certain loan origination fee, for net increase in
6 employees engaged in specified activities, for
7 specified property tax relief, and for specified
8 sales tax relief; deleting certain applicability
9 provisions; conforming language; and providing an
10 effective date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. For tax years beginning after December 31, 2007 and ending before January 1, 2016, there shall be allowed to a resident individual or part-year resident individual or nonresident individual member of the Armed Forces as a credit against the tax imposed by Section 2355 of this title twenty percent (20%) of the credit for child care expenses allowed under the Internal Revenue

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

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

24 2. As used in this subsection:

- 1 a. "manufacturing establishment" means a plant or
2 establishment which engages in the business of working
3 raw materials into wares suitable for use or which
4 gives new shapes, new qualities or new combinations to
5 matter which has already gone through some artificial
6 process,
- 7 b. "gas used or consumed" shall include all natural or
8 casinghead gas used in the operation of the
9 manufacturing establishment for whatever purposes, but
10 shall not include the following:
- 11 (1) gas which, after being severed from the earth, is
12 subsequently injected into a formation in the
13 state for the purpose of storing, recycling,
14 repressuring or pressure maintenance,
- 15 (2) gas vented or flared directly into the
16 atmosphere,
- 17 (3) gas used for fuel in connection with the
18 operation and development for or production of
19 oil or gas in the field where produced, and
- 20 (4) gas, any part of which is resold by the
21 manufacturing establishment, except as to that
22 part and quantity of the gas which is actually
23 used by the establishment and not resold, and
24

1 c. "one thousand (1,000) cubic feet of gas" (MCF) means
2 that quantity of gas which, measured at a pressure of
3 fifteen and twenty-five thousandths (15.025) pounds
4 per square inch absolute and at a temperature of
5 sixty-nine (69) degrees Fahrenheit, would have the
6 volume of one thousand (1,000) cubic feet.

7 3. No credit otherwise authorized by the provisions of this
8 subsection 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 paragraph shall cease to be operative on July 1, 2012.~~
13 ~~Beginning July 1, 2012, the~~ The credit authorized by this subsection
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 subsection.

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

22 1. Those credits provided in this section; and

23 2. Those credits authorized by Sections 2-5-101 through ~~2-5-118~~
24 2-5-117 of Title 27A of the Oklahoma Statutes, which have been, or

1 may hereafter be, certified pursuant to applications therefor made
2 on or before March 22, 1971. Provided, the total amount of the
3 credits referred to in this subparagraph to be taken by the taxpayer
4 shall not exceed the certified net investment cost of the facilities
5 or processes to which such credits pertain, reduced by the greater
6 of:

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

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

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

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

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

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

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

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

23 1. Investment in qualified depreciable property with a total
24 cost equal to or greater than Forty Million Dollars (\$40,000,000.00)

1 within three (3) years from the date of initial qualifying
2 expenditure and placed in service in this state during those years
3 for use in the manufacture of products described by any Industry
4 Number contained in Division D of Part I of the Standard Industrial
5 Classification (SIC) Manual, latest revision; or

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

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

20 D. If a business entity fails to expend the amount required by
21 paragraph 1 or paragraph 2 of subsection B of this section within
22 the time required, the business entity may not claim the credit
23 authorized by subsection B of this section, but shall be allowed to
24 claim a credit pursuant to subsection A of this section if the

1 requirements of subsection A of this section are met with respect to
2 the investment in qualified depreciable property or net increase in
3 the number of full-time-equivalent employees.

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

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

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

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

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

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

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

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

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

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

21 1. To each of the four (4) years following the year of
22 qualification;

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

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

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

12 J. No credit otherwise authorized by the provisions of this
13 section may be claimed for any event, transaction, investment,
14 expenditure or other act occurring on or after July 1, 2010, for
15 which the credit would otherwise be allowable until the provisions
16 of this subsection shall cease to be operative on July 1, 2012.
17 Beginning July 1, 2012, the credit authorized by this section may be
18 claimed for any event, transaction, investment, expenditure or other
19 act occurring on or after July 1, 2010, according to the provisions
20 of this section; provided, credits accrued during the period from
21 July 1, 2010, through June 30, 2012, shall be limited to a period of
22 two (2) taxable years. The credit shall be limited in each taxable
23 year to fifty percent (50%) of the total amount of the accrued
24 credit. Any tax credits which accrue during the period of July 1,

1 2010, through June 30, 2012, may not be claimed for any period prior
2 to the taxable year beginning January 1, 2012. No credits which
3 accrue during the period of July 1, 2010, through June 30, 2012, may
4 be used to file an amended tax return for any taxable year prior to
5 the taxable year beginning January 1, 2012.

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

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

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

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

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

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

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

23 3. For the period of July 1, 2006 through December 31, 2006,
24 and for tax years beginning on or after January 1, 2007, and ending

1 on or before December 31, 2014, the credit shall be in the amount of
2 Two Dollars and eighty-five cents (\$2.85) per ton for each ton of
3 Oklahoma-mined coal purchased by such person.

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

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

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

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

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

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

20 E. In addition to the credit allowed pursuant to the provisions
21 of subsection D of this section and except as otherwise provided in
22 subsection F of this section, for tax years beginning on or after
23 January 1, 2001, and ending on or before December 31, 2005, and for
24 the period of January 1, 2006, through June 30, 2006, there shall be

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

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

23 G. The credits provided in subsections D and E of this section
24 shall not be allowed for coal mined, produced or extracted in any

1 month in which the average price of coal is Sixty-eight Dollars
2 (\$68.00) or more per ton, excluding freight charges, as determined
3 by the Tax Commission.

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

1 upon a tax return pursuant to this subsection but shall not
2 promulgate any rules which unduly restrict or hinder the transfers
3 of such tax credit.

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

23 J. Any person receiving tax credits pursuant to the provisions
24 of this section shall apply the credits against taxes payable or

1 shall transfer the credits as provided in this section. Credits
2 shall not be used to lower the price of any Oklahoma-mined coal sold
3 that is produced by a subsidiary of the person receiving a tax
4 credit under this section to other buyers of the Oklahoma-mined
5 coal.

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

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

15 M. 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, 2014, according to the
2 provisions of this section.

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

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

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

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

owner shall be allowed the deduction in the same percentage as that individual's percentage of ownership in the property. In no event shall the total deduction allowed by this section exceed fifty percent (50%) in the taxable year of the capital gain realized on the sale of the property.

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

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

Section 2357.26. A. Except as otherwise provided by subsection G of this section, for tax years beginning after December 31, 2001, and ending before January 1, 2016, there shall be allowed a credit against the tax imposed by Section 2355 of this title for employers incurring eligible expenses in connection with the provision of child care services.

1 B. As used in this section:

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

- 3 a. the purchase of qualifying child care services that
4 are actually provided to children of employees, at a
5 program licensed by the Department of Human Services
6 with a rating of two stars or higher pursuant to rules
7 promulgated by the Department, at a:
- 8 (1) child care center, or
9 (2) family child care home,
- 10 b. planning, preparing a site and constructing a child
11 care center,
- 12 c. renovating or remodeling a structure to be used for a
13 child care center,
- 14 d. purchasing equipment necessary for use by a child care
15 center,
- 16 e. expanding a child care center,
- 17 f. maintaining and operating a child care center,
18 including paying direct administrative and staff
19 costs,
- 20 g. purchasing child care slots actually provided or
21 reserved for children of employees, or
- 22 h. fees and grants provided to child care resource and
23 referral organizations doing business within this
24 state; and

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

4 C. In lieu of a deduction from taxable income, the credit
5 allowed by subsection A of this section shall be twenty percent
6 (20%) of the amount of eligible expenses.

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

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

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

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

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

21 F. The Oklahoma Tax Commission, on or before January 31 of each
22 year, shall submit a report regarding the credit authorized by this
23 section to both houses of the Oklahoma Legislature. Such report
24

1 shall summarize the total amount of credits claimed and likely to be
2 claimed and allowed under this section.

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

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

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

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

22 B. As used in this section, "eligible expenses" means amounts
23 paid by an entity primarily engaged in the business of providing
24 child care services for expenses incurred by the entity to comply

1 with the standards promulgated by a national accrediting association
2 recognized by the Department of Human Services and which would not
3 have been incurred by the entity to comply with the Oklahoma Child
4 Care Facilities Licensing Act.

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

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

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

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

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

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

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

15 C. The credit authorized by this section shall only be claimed
16 against the tax liability resulting from income generated by the
17 small business. If an income tax return upon which this credit is
18 claimed includes taxable income from sources other than the small
19 business, the credit shall only be allowed to be claimed upon a
20 percentage of the income tax liability which does not exceed the
21 percentage of income generated by the small business as compared to
22 the total Oklahoma adjusted gross income shown on the return. The
23 Oklahoma Tax Commission shall promulgate rules and prescribe forms
24 to implement the provisions of this section.

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

10 E. 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~~ during the time
13 period beginning on July 1, 2010, and ending on June 30, 2012, for
14 which the credit would otherwise be allowable. ~~The provisions of~~
15 ~~this subsection shall cease to be operative on July 1, 2012.~~
16 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
17 may be claimed for any event, transaction, investment, expenditure
18 or other act occurring ~~on or after~~ during the time period beginning
19 on July 1, 2012, and ending on December 31, 2015, according to the
20 provisions of this section.

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

23 Section 2357.32A. A. Except as otherwise provided in
24 subsection H of this section, for tax years beginning on or after

1 January 1, 2003, and ending before January 1, 2016, there shall be
2 allowed a credit against the tax imposed by Section 2355 of this
3 title to a taxpayer for the taxpayer's production and sale to an
4 unrelated person of electricity generated by zero-emission
5 facilities located in this state. As used in this section:

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

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

- 16 a. wind,
- 17 b. moving water,
- 18 c. sun, or
- 19 d. geothermal energy.

20 B. For facilities placed in operation on or after January 1,
21 2003, and before January 1, 2007, the electricity generated on or
22 after January 1, 2003, but prior to January 1, 2004, the amount of
23 the credit shall be seventy-five one hundredths of one cent
24 (\$0.0075) for each kilowatt-hour of electricity generated by zero-

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

13 C. Credits may be claimed with respect to electricity generated
14 on or after January 1, 2003, during a ten-year period following the
15 date that the facility is placed in operation on or after June 4,
16 2001.

17 D. If the credit allowed pursuant to this section exceeds the
18 amount of income taxes due or if there are no state income taxes due
19 on the income of the taxpayer, the amount of the credit allowed but
20 not used in any tax year may be carried forward as a credit against
21 subsequent income tax liability for a period not exceeding ten (10)
22 years.

23 E. Any nontaxable entities, including agencies of the State of
24 Oklahoma or political subdivisions thereof, shall be eligible to

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

12 F. The amount of the credit allowed, but not used, shall be
13 freely transferable at any time during the ten (10) years following
14 the year of qualification. Any person to whom or to which a tax
15 credit is transferred shall have only such rights to claim and use
16 the credit under the terms that would have applied to the entity by
17 whom or by which the tax credit was transferred. The provisions of
18 this ~~subsection~~ paragraph shall not limit the ability of a tax
19 credit transferee to reduce the tax liability of the transferee,
20 regardless of the actual tax liability of the tax credit transferor,
21 for the relevant taxable period. The transferor initially allowed
22 the credit and any subsequent transferees shall jointly file a copy
23 of any written transfer agreement with the Oklahoma Tax Commission
24 within thirty (30) days of the transfer. The written agreement

1 shall contain the name, address and taxpayer identification number
2 or social security number of the parties to the transfer, the amount
3 of the credit being transferred, the year the credit was originally
4 allowed to the transferor, and the tax year or years for which the
5 credit may be claimed. The Tax Commission may promulgate rules to
6 permit verification of the validity and timeliness of the tax credit
7 claimed upon a tax return pursuant to this ~~subsection~~ paragraph but
8 shall not promulgate any rules that unduly restrict or hinder the
9 transfers of such tax credit. The tax credit allowed by this
10 section, upon the election of the taxpayer, may be claimed as a
11 payment of tax, a prepayment of tax or a payment of estimated tax
12 for purposes of Section 1803 or Section 2355 of this title.

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

19 H. No credit otherwise authorized by the provisions of this
20 section may be claimed for any event, transaction, investment,
21 expenditure or other act occurring ~~on or after~~ during the time
22 period beginning on July 1, 2010, and ending on June 30, 2011, for
23 which the credit would otherwise be allowable ~~until the provisions~~
24 ~~of this subsection shall cease to be operative on July 1, 2011.~~

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

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

13 Section 2357.33. A. Except as otherwise provided by subsection
14 E of this section, for taxable years beginning after December 31,
15 1999, and ending before January 1, 2016, there shall be allowed a
16 credit against the tax imposed by Section 2355 of this title for
17 amounts paid by a taxpayer operating one or more food service
18 establishments for immunizations against Hepatitis A for employees
19 of the taxpayer who work in such establishments.

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

24

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

6 D. The credit provided by this section shall be available to
7 the taxpayer in the tax year in which an employee was immunized and
8 shall not carry forward to subsequent tax years. Such credit shall
9 not be refunded to the taxpayer.

10 E. 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~~ during the time
13 period beginning on July 1, 2010, and ending on June 30, 2012, for
14 which the credit would otherwise be allowable. ~~The provisions of~~
15 ~~this subsection shall cease to be operative on July 1, 2012.~~
16 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
17 may be claimed for any event, transaction, investment, expenditure
18 or other act occurring ~~on or after~~ during the time period beginning
19 on July 1, 2012, and ending on December 31, 2015, according to the
20 provisions of this section.

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

23 Section 2357.41. A. Except as otherwise provided by subsection
24 I of this section, for tax years beginning after December 31, 2000,

1 and ending before January 1, 2016, there shall be allowed a credit
2 against the tax imposed by Sections 2355 and 2370 of this title or
3 that portion of the tax imposed by Section 624 or 628 of Title 36 of
4 the Oklahoma Statutes that would otherwise have been apportioned to
5 the General Revenue Fund for qualified rehabilitation expenditures
6 incurred in connection with any certified historic hotel or historic
7 newspaper plant building located in an increment or incentive
8 district created pursuant to the Local Development Act or for
9 qualified rehabilitation expenditures incurred after January 1,
10 2006, in connection with any certified historic structure.

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

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

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 taxable year may be carried forward as a credit
2 against subsequent income tax liability for a period not exceeding
3 ten (10) years following the qualified expenditures.

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

11 F. The amount of the credit allowed for any credit claimed for
12 a certified historic hotel or historic newspaper plant building or
13 any certified historic structure, but not used, shall be freely
14 transferable, in whole or in part, to subsequent transferees at any
15 time during the five (5) years following the year of qualification.
16 Any person to whom or to which a tax credit is transferred shall
17 have only such rights to claim and use the credit under the terms
18 that would have applied to the entity by whom or by which the tax
19 credit was transferred. The provisions of this subsection shall not
20 limit the ability of a tax credit transferee to reduce the tax
21 liability of the transferee regardless of the actual tax liability
22 of the tax credit transferor for the relevant taxable period. The
23 transferor of the credit and the transferee shall jointly file a
24 copy of the written credit transfer agreement with the Oklahoma Tax

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

20 G. Notwithstanding any other provisions in this section, on or
21 after January 1, 2009, if a credit allowed pursuant to this section
22 which has been transferred is subsequently reduced as the result of
23 an adjustment by the Internal Revenue Service, Tax Commission, or
24 any other applicable government agency, only the transferor

1 originally allowed the credit and not any subsequent transferee of
2 the credit, shall be held liable to repay any amount of disallowed
3 credit.

4 H. As used in this section:

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

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

18 3. "Qualified rehabilitation expenditures" means capital
19 expenditures that qualify for the federal rehabilitation credit
20 provided in Section 47 of Title 26 of the United States Code and
21 that were paid after December 31, 2000. Qualified rehabilitation
22 expenditures do not include capital expenditures for nonhistoric
23 additions except an addition that is required by state or federal
24 regulations that relate to safety or accessibility. In addition,

1 qualified rehabilitation expenditures do not include expenditures
2 related to the cost of acquisition of the property.

3 I. No credit otherwise authorized by the provisions of this
4 section may be claimed for any event, transaction, investment,
5 expenditure or other act occurring on or after July 1, 2010, ~~for~~
6 ~~which the credit would otherwise be allowable until the provisions~~
7 ~~of this subsection shall cease to be operative on July 1, 2012~~
8 except as otherwise provided in this subsection. Beginning July 1,
9 2012, the credit authorized by this section may be claimed for any
10 event, transaction, investment, expenditure or other act occurring
11 on or after July 1, 2010, and before January 1, 2016, according to
12 the provisions of this section. Any tax credits which accrue during
13 the period of July 1, 2010, through June 30, 2012, may not be
14 claimed for any period prior to the taxable year beginning January
15 1, 2012. No credits which accrue during the period of July 1, 2010,
16 through June 30, 2012, may be used to file an amended tax return for
17 any taxable year prior to the taxable year beginning January 1,
18 2012.

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

21 Section 2357.43. For tax years beginning after December 31,
22 2001, and ending before January 1, 2016, there shall be allowed to a
23 resident individual or a part-year resident individual as a credit
24 against the tax imposed by Section 2355 of this title five percent

(5%) of the earned income tax credit allowed under Section 32 of the Internal Revenue Code of the United States, 26 U.S.C., Section 32. However, this credit shall not be paid in advance pursuant to the provisions of Section 3507 of the Internal Revenue Code. If the credit exceeds the tax imposed by Section 2355 of this title, the excess amount shall be refunded to the taxpayer. The maximum earned income tax credit allowable on the Oklahoma income tax return shall be prorated on the ratio that Oklahoma adjusted gross income bears to the federal adjusted gross income.

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

Section 2357.45. A. 1. For tax years beginning after December 31, 2004, and ending before January 1, 2016, there shall be allowed against the tax imposed by Section 2355 of this title, a credit for any taxpayer who makes a donation to an independent biomedical research institute and for tax years beginning after December 31, 2010, and ending before January 1, 2016, a credit for any taxpayer who makes a donation to a cancer research institute.

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

- a. for calendar year 2007 and all subsequent years for which the credit may be claimed, the credit percentage, not to exceed fifty percent (50%), shall be adjusted annually so that the total estimate of the

credits does not exceed Two Million Dollars (\$2,000,000.00) annually. The formula to be used for the percentage adjusted shall be fifty percent (50%) times One Million Dollars (\$1,000,000.00) divided by the credits claimed in the preceding year for each donation to an independent biomedical research institute and fifty percent (50%) times One Million Dollars (\$1,000,000.00) divided by the credits claimed in the preceding year for each donation to a cancer research institute,

b. in no event shall a taxpayer claim more than one credit for a donation to any independent biomedical research institute and one credit for a donation to a cancer research institute in each taxable year nor shall the credit exceed One Thousand Dollars (\$1,000.00) for each taxpayer for each type of donation,

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

d. in no event shall more than fifty percent (50%) of the Two Million Dollars (\$2,000,000.00) in total tax credits authorized by this section, for any calendar year after ~~the effective date of this act~~ January 1,

1 2011, be allocated for credits for donations to a
2 cancer research institute, and

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

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

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

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

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

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

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

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

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

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

Section 2357.46. A. Except as otherwise provided by subsection
G of this section, for tax years beginning after December 31, 2005,
and ending before January 1, 2016, there shall be allowed a credit
against the tax imposed by Section 2355 of ~~Title 68 of Oklahoma~~
~~Statutes~~ this title for eligible expenditures incurred by a
contractor in the construction of energy efficient residential
property of two thousand (2,000) square feet or less. The amount of
the credit shall be based upon the following:

1. For any eligible energy efficient residential property
constructed and certified as forty percent (40%) or more above the
International Energy Conservation Code 2003 and any supplement in
effect at the time of completion, the amount of the credit shall be

1 equal to the eligible expenses, not to exceed Four Thousand Dollars
2 (\$4,000.00) for the taxpayer who is the contractor; and

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

10 B. As used in this section:

11 1. "Eligible expenditure" means any:

- 12 a. energy efficient heating or cooling system,
- 13 b. insulation material or system which is specifically
14 and primarily designed to reduce the heat gain or loss
15 of a residential property when installed in or on such
16 property,
- 17 c. exterior windows, including skylights,
- 18 d. exterior doors, and
- 19 e. any metal roof installed on a residential property,
20 but only if such roof has appropriate pigmented
21 coatings which are specifically and primarily designed
22 to reduce the heat gain of such dwelling unit and
23 which meet Energy Star program requirements;

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

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

9 a. for the credit provided pursuant to paragraph 1 of
10 subsection A of this section, which is certified by an
11 accredited Residential Energy Services Network
12 Provider using the Home Energy Rating System to have:

13 (1) a level of annual heating and cooling energy
14 consumption which is at least forty percent (40%)
15 below the annual level of heating and cooling
16 energy consumption of a comparable residential
17 property constructed in accordance with the
18 standards of Chapter 4 of the 2003 International
19 Energy Conservation Code, as such code is in
20 effect on ~~the effective date of this act~~ November
21 1, 2005,

22 (2) heating and cooling equipment efficiencies which
23 correspond to the minimum allowed under the
24 regulations established by the Department of

1 Energy pursuant to the National Appliance Energy
2 Conservation Act of 1987 and in effect at the
3 time of construction of the property, and

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

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

12 (1) a level of annual heating and cooling energy
13 consumption which is between twenty percent (20%)
14 and thirty-nine percent (39%) below the annual
15 level of heating and cooling energy consumption
16 of a comparable residential property constructed
17 in accordance with the standards of Chapter 4 of
18 the 2003 International Energy Conservation Code,
19 as such code is in effect on ~~the effective date~~
20 ~~of this act~~ November 1, 2005,

21 (2) heating and cooling equipment efficiencies which
22 correspond to the minimum allowed under the
23 regulations established by the Department of
24 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-third of the reduced annual heating and cooling energy consumption levels.

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

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

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

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

G. No credit otherwise authorized by the provisions of this section may be claimed for any event, transaction, investment, expenditure or other act occurring ~~on or after~~ during the time

1 period beginning on July 1, 2010, and ending on June 30, 2012, for
2 which the credit would otherwise be allowable. ~~The provisions of~~
3 ~~this subsection shall cease to be operative on July 1, 2012.~~
4 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
5 may be claimed for any event, transaction, investment, expenditure
6 or other act occurring ~~on or after~~ during the time period beginning
7 on July 1, 2012, and ending on December 31, 2015, according to the
8 provisions of this section.

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

11 Section 2357.47. A. 1. Except as otherwise provided in
12 subsection D of this section, for tax years beginning after December
13 31, 2005, and ending before January 1, 2016, there shall be allowed
14 against the tax imposed by Section 2355 of this title, a credit for
15 eligible wages paid by an employer to an employee. The amount of
16 the credit shall be ten percent (10%) of the amount of the gross
17 wages paid to the employee for a period not to exceed ninety (90)
18 days but in no event shall the credit exceed Five Thousand Dollars
19 (\$5,000.00) for each employee of each taxpayer. In no event shall
20 the total credit claimed exceed Twenty-five Thousand Dollars
21 (\$25,000.00) in any one year for any taxpayer.

22 2. Except as otherwise provided by subsection D of this
23 section, for tax years beginning after December 31, 2005, and ending
24 before January 1, 2016, there shall be allowed against the tax

1 imposed by Section 2355 of this title, a credit for eligible
2 modification expenses of an employer. The amount of the credit
3 shall be fifty percent (50%) of the amount of the funds expended for
4 eligible modification expenses or new tools or equipment but in no
5 event shall the credit exceed One Thousand Dollars (\$1,000.00) for
6 eligible modification expenses incurred for any single employee. In
7 no event shall the total credit claimed exceed Ten Thousand Dollars
8 (\$10,000.00) in any year for any taxpayer.

9 3. As used in this section:

- 10 a. "employee", "employer", "maximum medical improvement",
11 "treating physician", and "wages" shall be defined as
12 in ~~Section 3 of Title 85 of the Oklahoma Statutes~~ The
13 Workers' Compensation Code,
- 14 b. "eligible wages" means gross wages paid by an employer
15 to an employee who is injured as a result of an injury
16 which is compensable under the Workers' Compensation
17 Act and which are paid beginning when the employee
18 returns to work with restricted duties as provided by
19 the employee's treating physician or an independent
20 medical examiner before the employee has reached
21 maximum medical improvement, and ending after ninety
22 (90) days or when the employee has reached maximum
23 medical improvement, and
24

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

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

15 C. The Oklahoma Tax Commission shall have the authority to
16 promulgate rules necessary to effectuate the purposes of this
17 section.

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

1 may be claimed for any event, transaction, investment, expenditure
2 or other act occurring ~~on or after~~ during the time period beginning
3 on July 1, 2012, and ending on December 31, 2015, according to the
4 provisions of this section.

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

7 Section 2357.81. A. Subject to the limitation imposed pursuant
8 to subsection C of Section 842 of Title 62 of the Oklahoma Statutes
9 and except as otherwise provided by subsection F of this section,
10 for taxable years beginning after December 31, 2000, and ending
11 before January 1, 2016, there shall be allowed as a credit against
12 the tax imposed pursuant to Section 2355 of ~~Title 68 of the Oklahoma~~
13 ~~Statutes~~ this title, an amount equal to one hundred percent (100%)
14 of the amount of ad valorem taxes exempted pursuant to the
15 provisions of Section 860 of Title 62 of the Oklahoma Statutes for
16 an enterprise locating a new facility within or expanding an
17 existing facility within an enterprise zone as designated pursuant
18 to Section 690.2 of ~~Title 68 of the Oklahoma Statutes~~ this title if
19 such facility is also located within an incentive district.

20 B. The income tax credit authorized by this section shall only
21 be available, to the extent otherwise allowable and except as
22 otherwise provided by subsection F of this section, for ad valorem
23 taxes for which an exemption has been provided pursuant to Section
24 860 of Title 62 of the Oklahoma Statutes on or after January 1,

1 2001. The county assessor of the county in which the facility is
2 located, or any part of the facility, shall provide an annual
3 certification to the Oklahoma Tax Commission not later than January
4 31 of each calendar year as to the amount of ad valorem taxes which
5 would have been payable by the owner of the facility without the
6 exemption provided by Section 860 of Title 62 of the Oklahoma
7 Statutes.

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

16 D. The credit authorized by this section shall be allowable
17 only to the extent of ad valorem taxes which would have been levied
18 upon the taxable value of real property and improvements physically
19 attached to real property constituting the eligible facility without
20 the exemption provided by Section 860 of Title 62 of the Oklahoma
21 Statutes and shall not be allowable to the extent that the credit is
22 claimed for ad valorem taxes which would have been levied upon the
23 taxable value of personal property of the enterprise even if the
24

1 incentive granted by the participating governmental entities in the
2 incentive district includes personal property.

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

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

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

21 Section 2357.101. A. Except as otherwise provided in
22 subsection E of this section, for taxable years beginning after
23 December 31, 2004, and ending before January 1, 2016, there shall be
24 allowed against the tax imposed by Section 2355 of ~~Title 68 of the~~

1 ~~Oklahoma Statutes~~ this title, a credit equal to twenty-five percent
2 (25%) of the amount of profit made by a taxpayer from investment in
3 an existing Oklahoma film or music project with a production company
4 to pay for production costs that is reinvested by the taxpayer with
5 the production company to pay for the production cost of the
6 production company for a new Oklahoma film or music project.

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

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

16 D. As used in this section:

17 1. "Film" means a professional single media, multimedia program
18 or feature, which is not child pornography as defined in subsection
19 A of Section 1024.1 of Title 21 of the Oklahoma Statutes or obscene
20 material as defined in paragraph 1 of subsection B of Section 1024.1
21 of Title 21 of the Oklahoma Statutes including, but not limited to,
22 national advertising messages that are broadcast on a national
23 affiliate or cable network, fixed on film or digital video, which
24 can be viewed or reproduced and which is exhibited in theaters,

1 licensed for exhibition by individual television stations, groups of
2 stations, networks, cable television stations or other means or
3 licensed for home viewing markets;

4 2. "Music project" means a professional recording released on a
5 national or international level, whether via traditional
6 manufacturing or distributing or electronic distribution, using
7 technology currently in use or future technology including, but not
8 limited to, music CDs, radio commercials, jingles, cues, or
9 electronic device recordings;

10 3. "Production company" means a person who produces a film or
11 music project for exhibition in theaters, on television or
12 elsewhere;

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

- 14 a. wages or salaries of persons who have earned income
15 from working on a film or music project in this state,
16 including payments to personal services corporations
17 with respect to the services of qualified performing
18 artists, as determined under Section 62(a)(A) of the
19 Internal Revenue Code,
- 20 b. the cost of construction and operations, wardrobe,
21 accessories and related services,
- 22 c. the cost of photography, sound synchronization,
23 lighting and related services,
- 24 d. the cost of editing and related services,

1 e. rental of facilities and equipment, and

2 f. other direct costs of producing a film or music
3 project;

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

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

8 a. the gross revenues less gross expenses, including
9 direct production, distribution and marketing costs
10 and an allocation of indirect overhead costs, of the
11 film or music project shall be multiplied by,

12 b. a ratio, the numerator of which is Oklahoma production
13 costs, as defined in paragraph 7 of this subsection,
14 and the denominator of which is total production
15 costs, as defined in paragraph 4 of this subsection,
16 which shall be multiplied by,

17 c. the percent of the taxpayer's taxable income allocated
18 to Oklahoma in a taxable year, and

19 d. subtract from the result of the formula calculated
20 pursuant to subparagraphs a through c of this
21 paragraph the profit made by a taxpayer from
22 investment in an existing Oklahoma film or music
23 project in previous taxable years. Profit shall
24 include either a net profit or net loss;

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

3 8. a. "Qualified vendor" means an Oklahoma entity which
4 provides goods or services to a production company and
5 for which:

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

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

11 b. For purposes of this paragraph, an employee shall
12 include a self-employed individual reporting income
13 from a qualified vendor on Internal Revenue Service
14 Form 1040.

15 c. The Oklahoma Tax Commission shall prescribe forms by
16 which an entity may be certified to a production
17 company as a qualified vendor for purposes of this
18 section; and

19 9. "Investment" means costs associated with the original
20 production company. Film or music projects acquired from an
21 original production company do not qualify as investment under
22 subsection A of this section.

23 E. No credit otherwise authorized by the provisions of this
24 section may be claimed for any event, transaction, investment,

1 expenditure or other act occurring ~~on or after~~ during the time
2 period beginning on July 1, 2010, and ending on June 30, 2012, for
3 which the credit would otherwise be allowable. ~~The provisions of~~
4 ~~this subsection shall cease to be operative on July 1, 2012.~~
5 ~~Beginning July 1, 2012, the~~ The credit authorized by this section
6 may be claimed for any event, transaction, investment, expenditure
7 or other act occurring ~~on or after~~ during the time period beginning
8 on July 1, 2012, and ending on December 31, 2015, according to the
9 provisions of this section.

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

12 Section 2357.102. A. Except as otherwise provided by
13 subsection G of this section, for taxable years beginning after
14 December 31, 2005, and ending before January 1, 2016, there shall be
15 allowed a credit against the tax imposed by Section 2355 of ~~Title 68~~
16 ~~of the Oklahoma Statutes~~ this title for the cost of the purchase of
17 a dry fire hydrant or the cost to provide an acceptable means of
18 water storage for such dry fire hydrant including a pond, tank, or
19 other storage facility with the primary purpose of fire protection
20 within the State of Oklahoma. The credit shall be equal to fifty
21 percent (50%) of the purchase price of the dry fire hydrant or the
22 actual expenditure for any new water storage construction,
23 equipment, development and installation of the dry hydrant,
24 including pipes, valves, hydrants, and labor for each installation

1 of a dry hydrant or new water storage facility but in no event shall
2 the amount of the credit exceed Five Thousand Dollars (\$5,000.00)
3 for each taxpayer.

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

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

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

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

16 C. In no event shall the amount of the credit exceed the amount
17 of any tax liability of the taxpayer.

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

21 E. The Oklahoma Tax Commission and the State Fire Marshal
22 Commission shall promulgate rules to establish the requirements for
23 the construction of a dry fire hydrant or new water storage facility
24 and permit verification of eligibility of a dry fire hydrant or new

1 water storage facility for the credit provided for in subsection A
2 of this section.

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

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

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

1 B. 1. Except as provided in paragraph 2 of this subsection,
2 the amount of the credit shall be limited to the product of Five
3 Hundred Dollars (\$500.00) for tax year 2007 and Two Thousand Dollars
4 (\$2,000.00) for tax year 2008 and subsequent tax years and the
5 number of miles of railroad track owned or leased within this state
6 by the eligible taxpayer as of the close of the taxable year.

7 2. In tax year 2009 and subsequent tax years, a taxpayer may
8 elect to increase the limit provided in paragraph 1 of this
9 subsection to an amount equal to three times the limit specified in
10 paragraph 1 of this subsection for qualified expenditures made in
11 the tax year, provided the taxpayer may only claim one third (1/3)
12 of the credit in any one taxable period.

13 C. The credit allowed pursuant to subsection A of this section
14 but not used shall be freely transferable, by written agreement, to
15 subsequent transferees at any time during the five (5) years
16 following the year of qualification. An eligible transferee shall
17 be any taxpayer subject to the tax imposed by Section 2355 of this
18 title. The person originally allowed the credit and the subsequent
19 transferee shall jointly file a copy of the written credit transfer
20 agreement with the Oklahoma Tax Commission within thirty (30) days
21 of the transfer. The written agreement shall contain the name,
22 address and taxpayer identification number of the parties to the
23 transfer, the amount of credit being transferred, the year the
24 credit was originally allowed to the transferring person and the tax

1 year or years for which the credit may be claimed. The Tax
2 Commission shall promulgate rules to permit verification of the
3 timeliness of a tax credit claimed upon a tax return pursuant to
4 this subsection but shall not promulgate any rules which unduly
5 restrict or hinder the transfers of such tax credit. The Department
6 of Transportation shall promulgate rules to permit verification of
7 the eligibility of an eligible taxpayer's expenditures for the
8 purpose of claiming the credit. The rules shall provide for the
9 approval of qualified railroad reconstruction or replacement
10 expenditures prior to commencement of a project and provide a
11 certificate of verification upon completion of a project that uses
12 qualified railroad reconstruction or replacement expenditures. The
13 certificate of verification shall satisfy all requirements of the
14 Tax Commission pertaining to the eligibility of the person claiming
15 the credit.

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

20 E. A taxpayer who elects to increase the limitation on the
21 credit under paragraph 2 of subsection B of this section shall not
22 be granted additional credits under subsection A of this section
23 during the period of such election.

24 F. As used in this section:

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

4 2. "Eligible taxpayer" means any Class II or Class III
5 railroad; and

6 3. "Qualified railroad reconstruction or replacement
7 expenditures" means expenditures for:

- 8 a. reconstruction or replacement of railroad
9 infrastructure including track, roadbed, bridges,
10 industrial leads and track-related structures owned or
11 leased by a Class II or Class III railroad as of
12 January 1, 2006, or
- 13 b. new construction of industrial leads, switches, spurs
14 and sidings and extensions of existing sidings by a
15 Class II or Class III railroad.

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

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

6 1. "Nonqualified operating expenditures" means labor costs,
7 salary and other compensation, whether direct or indirect, paid to
8 directors, officers, limited liability company members, limited
9 liability company managers, partners or other principals or
10 employees of the business entity;

11 2. "Qualified direct costs" means expenditures, other than
12 nonqualified operating expenditures, to construct dog kennels,
13 fences, pens, training areas for canines, structures for office
14 space or other improvements to real property necessary for the
15 proper training of a specially trained canine, including the cost of
16 food, water, veterinary expenses and other costs directly related to
17 the operation of the training facility; and

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

21 B. Except as provided in subsection F of this section, for
22 taxable years beginning after December 31, 2005, and ending before
23 January 1, 2016, there shall be allowed a credit against the tax
24 imposed pursuant to Section 2355 of ~~Title 68 of the Oklahoma~~

1 ~~Statutes~~ this title in the amount of fifty percent (50%) of the
2 qualified direct costs associated with the operation of a business
3 enterprise the principal purpose of which is the rearing of
4 specially trained canines.

5 C. The provisions of this section shall not be applicable to
6 nonqualified operating expenditures.

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

12 E. The Oklahoma Tax Commission shall be authorized to prescribe
13 such forms as may be necessary in order to administer the tax credit
14 authorized by this section. The Tax Commission may request such
15 additional documentation as may be required from the taxpayer in
16 order to verify the eligibility for the credit authorized by this
17 section.

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

1 may be claimed for any event, transaction, investment, expenditure
2 or other act occurring ~~on or after~~ during the time period beginning
3 on July 1, 2012, and ending on December 31, 2015, according to the
4 provisions of this section.

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

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

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

1 2. a. The total credits authorized by paragraph 1 of this
2 subsection for all single individuals and married
3 individuals filing jointly shall not exceed One
4 Million Seven Hundred Fifty Thousand Dollars
5 (\$1,750,000.00) annually.

6 b. The total credits authorized by paragraph 1 of this
7 subsection for all other taxpayers not subject to
8 subparagraph a of this paragraph shall not exceed One
9 Million Seven Hundred Fifty Thousand Dollars
10 (\$1,750,000.00) annually.

11 c. Each cap on total credits as provided for in this
12 paragraph shall be allocated by the Oklahoma Tax
13 Commission as provided in subsection G of this
14 section.

15 C. 1. Except as provided in subsection E of this section,
16 after ~~the effective date of this act~~ August 26, 2011 and before
17 January 1, 2016, there shall be allowed a credit for any taxpayer
18 who makes a contribution to an eligible educational improvement
19 grant organization. The credit shall be equal to fifty percent
20 (50%) of the total amount of contributions made during a taxable
21 year, not to exceed One Thousand Dollars (\$1,000.00) for single
22 individuals, Two Thousand Dollars (\$2,000.00) for married
23 individuals filing jointly, or One Hundred Thousand Dollars
24 (\$100,000.00) for any taxpayer which is a legal business entity

1 including limited and general partnerships, corporations, and
2 limited liability companies; provided, if total credits claimed
3 pursuant to this paragraph exceed the cap established pursuant to
4 paragraph 3 of this subsection, the credit shall be equal to the
5 taxpayer's proportionate share of the cap for the taxable year, as
6 determined pursuant to subsection G of this section.

7 2. For any taxpayer who makes a contribution to an eligible
8 educational improvement grant organization and makes a written
9 commitment to contribute the same amount for two (2) additional
10 consecutive years the credit shall be equal to seventy-five percent
11 (75%) of the total amount of the contribution established in
12 paragraph 1 of this subsection, not to exceed the amounts
13 established in paragraph 1 of this subsection for the taxable year
14 in which the credit provided in this subsection is claimed;
15 provided, if total credits claimed pursuant to this paragraph exceed
16 the cap established pursuant to paragraph 3 of this subsection, the
17 credit shall be equal to the taxpayer's proportionate share of the
18 cap for the taxable year, as determined pursuant to subsection G of
19 this section. The taxpayer shall provide evidence of the written
20 commitment to the Oklahoma Tax Commission at the time of filing the
21 refund claim.

22 3. a. The total credits authorized by paragraph 1 of this
23 subsection for all single individuals, married
24 individuals filing jointly and for all other taxpayers

1 shall not exceed One Million Five Hundred Thousand
2 Dollars (\$1,500,000.00) annually.

3 b. The cap on total credits as provided for in this
4 paragraph shall be allocated by the Oklahoma Tax
5 Commission as provided in subsection G of this
6 section.

7 D. For credits claimed for eligible contributions made during
8 tax year 2014 and thereafter, a credit shall not be allowed by the
9 Oklahoma Tax Commission for contributions made to a scholarship-
10 granting organization or an educational improvement grant
11 organization if that organization's percentage of funds actually
12 awarded is less than ninety percent (90%). For purposes of this
13 section, the "percentage of funds actually awarded" shall be
14 determined by dividing the total amount of funds actually awarded as
15 educational scholarships or educational improvement grants over the
16 most recent twenty-four (24) months by the total amount available to
17 award as educational scholarships or educational improvement grants
18 over the most recent twenty-four (24) months.

19 E. Any tax credits which are earned by a taxpayer pursuant to
20 this section during the time period beginning on ~~the effective date~~
21 ~~of this act~~ August 26, 2011 through December 31, 2012, may not be
22 claimed for any period prior to the taxable year beginning January
23 1, 2013. No credits which accrue during the time period beginning
24 on ~~the effective date of this act~~ August 26, 2011 through December

31, 2012, may be used to file an amended tax return for any taxable year prior to the taxable year beginning January 1, 2013.

F. As used in this section:

1. "Eligible student" means a child of school age who is lawfully present in the United States and who is a member of a household in which the total annual income during the preceding tax year does not exceed an amount equal to three hundred percent (300%) of the income standard used to qualify for a free or reduced school lunch or who, during the immediately preceding school year, attended or, by virtue of the location of such student's place of residence, was eligible to attend a public school in this state which has been identified for school improvement as determined by the State Board of Education pursuant to the requirements of the No Child Left Behind Act of 2001, P.L. No. 107-110. Once a student has received an educational scholarship, as defined in paragraph 3 of this subsection, the student and any siblings who are members of the same household shall remain eligible until they graduate from high school or reach twenty-one (21) years of age, whichever occurs first;

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

3. "Educational scholarships" means:

1 a. scholarships to an eligible student of up to Five
2 Thousand Dollars (\$5,000.00) or eighty percent (80%)
3 of the average per-pupil expenditure in the school
4 district where the recipient student resides,
5 whichever is greater, to cover all or part of the
6 tuition, fees and transportation costs of a qualified
7 school which is accredited by the State Board of
8 Education or an accrediting association approved by
9 the Board pursuant to Section 3-104 of Title 70 of the
10 Oklahoma Statutes, or

11 b. scholarships to an eligible special needs student of
12 up to Twenty-five Thousand Dollars (\$25,000.00) to
13 cover all or part of the tuition, fees and
14 transportation costs of a qualified school for
15 eligible special needs students which is accredited by
16 the State Board of Education or an accrediting
17 association approved by the Board pursuant to Section
18 3-104 of Title 70 of the Oklahoma Statutes;

19 4. "Low-income eligible student" means an eligible student or
20 eligible special needs student who qualifies for a free or reduced-
21 price lunch;

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

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

1 scholarships as defined in paragraph 3 of this
2 subsection,

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

9 e. ensures that scholarships are portable during the
10 school year and can be used at any qualified school
11 that accepts the eligible student or at any qualified
12 school for special needs students that accepts the
13 eligible special needs student,

14 f. registers with the Oklahoma Tax Commission as a
15 scholarship-granting organization, and

16 g. has policies in place to:

17 (1) carry out criminal background checks on all
18 employees and board members to ensure that no
19 individual is involved with the organization who
20 might reasonably pose a risk to the appropriate
21 use of contributed funds, and

22 (2) maintain full and accurate records with respect
23 to the receipt of contributions and expenditures
24 of those contributions and supply such records

1 and any other documentation required by the Tax
2 Commission to demonstrate financial
3 accountability;

4 8. "Annual revenue" means the total amount or value of
5 contributions received by an organization from taxpayers awarded
6 credits during the organization's fiscal year and all amounts earned
7 from interest or investments;

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

10 10. "Eligible school" means any public school that is not
11 located within a ten-mile radius of a qualified school in this
12 state, or any public school that is located within a ten-mile radius
13 of a qualified school in this state but offers grade-level
14 instruction different from the qualified school or any public school
15 located within a public school district with fewer than four
16 thousand five hundred (4,500) students;

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

20 12. "Innovative educational program" means an advanced academic
21 or academic improvement program that is not part of the regular
22 coursework of a public school but that enhances the curriculum or
23 academic program of the school or provides early childhood education
24 programs to students;

1 13. "Educational improvement grant" means a grant to an
2 eligible public school to implement an innovative educational
3 program for students, including the ability for multiple public
4 schools to make an application and be awarded a grant to jointly
5 provide an innovative educational program; and

6 14. "Educational improvement grant organization" means an
7 organization which:

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

20 G. Total credits authorized by this section shall be allocated
21 as follows:

22 1. By January 10 of the year immediately following each
23 calendar year, a scholarship-granting organization or an educational
24 improvement grant organization which accepts contributions pursuant

1 to this section shall provide electronically to the Tax Commission
2 information on each contribution accepted during such taxable year.
3 At least once each taxable year, the scholarship-granting
4 organization or the educational improvement grant organization shall
5 notify each contributor that Oklahoma law provides for a total,
6 statewide cap on the amount of income tax credits allowed annually;

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

21 b. If the Tax Commission determines the total combined
22 credits claimed for contributions made to scholarship-
23 granting organizations during the most recently
24 completed calendar year by all taxpayers not subject

1 to subparagraph a of this paragraph are in excess of
2 One Million Seven Hundred Fifty Thousand Dollars
3 (\$1,750,000.00), plus any additional amount allocated
4 pursuant to subsection H of this section, the Tax
5 Commission shall determine the percentage of the
6 contribution which establishes the proportionate share
7 of the credit which may be claimed by any taxpayer so
8 that the maximum credits authorized by subparagraph b
9 of paragraph 2 of subsection B of this section are not
10 exceeded.

11 c. If the Tax Commission determines the total combined
12 credits claimed for contributions made to educational
13 improvement grant organizations during the most
14 recently completed calendar year by all single
15 individual taxpayers, married individuals filing
16 jointly and all other taxpayers are in excess of One
17 Million Five Hundred Thousand Dollars (\$1,500,000.00),
18 plus any additional amount allocated pursuant to
19 subsection H of this section, the Tax Commission shall
20 determine the percentage of the contribution which
21 establishes the proportionate share of the credit
22 which may be claimed by any taxpayer so that the
23 maximum credits authorized by subparagraph a of
24

1 paragraph 3 of subsection C of this section are not
2 exceeded; and

3 3. The Tax Commission shall publish the percentage of the
4 contribution which may be claimed as a credit by contributors for
5 the most recently completed calendar year on the Tax Commission
6 website no later than February 15 of each calendar year for
7 contributions made the previous year. Each scholarship-granting
8 organization or educational improvement grant organization shall
9 notify contributors of that amount annually.

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

14 1. If for any calendar year there is any amount of available
15 credit remaining pursuant to the provisions of paragraph 2 of
16 subsection G of this section, and only one of the other tax credit
17 pools has been fully utilized, the remaining amount from the tax
18 credit pool which was not fully utilized shall be allocated to and
19 added to the total tax credit pool amount for the other tax credit.

20 2. If for any calendar year there is any amount of available
21 credit remaining pursuant to the provisions of paragraph 2 of
22 subsection G of this section, and the other two tax credit pools
23 have both been fully utilized, the remaining amount from the tax
24 credit pool which was not fully utilized shall be divided by the

1 whole number two (2) and the resulting amount shall be allocated to
2 and added to the amount of available tax credits for each of the
3 other tax credit pools.

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

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

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

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

17 b. describes the proposed innovative educational program
18 or programs supported by the organization.

19 2. The Tax Commission shall review and approve or disapprove
20 the application, in consultation with the State Department of
21 Education.

22 3. In order to maintain eligibility under this section, an
23 educational improvement grant organization shall annually report the
24

1 following information to the Tax Commission by September 1 of each
2 year:

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

21 4. The information required under paragraph 3 of this
22 subsection shall be submitted on a form provided by the Tax
23 Commission. No later than May 1 of each year, the Tax Commission
24 shall annually distribute sample forms together with the forms on

1 which the reports are required to be made to each approved
2 organization.

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

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

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

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

24

1 B. For any fees paid by a person or entity for the taxable year
2 beginning January 1, 2009, the credit otherwise authorized by this
3 section shall not be claimed for an individual prior to January 1,
4 2011. Subject to the requirements of this subsection, an individual
5 taxpayer shall be able to claim the credit authorized by this
6 section for all fees paid during the tax year ending December 31,
7 2009, and the tax year ending December 31, 2010, on the income tax
8 return filed for the tax year ending December 31, 2010.

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

18 D. The credit authorized by this section shall not be used to
19 reduce the income tax liability of the taxpayer to less than zero
20 (0).

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

SECTION 24. AMENDATORY 68 O.S. 2011, Section 2357.402,

is amended to read as follows:

Section 2357.402. A. As used in this section:

1. "Electric motor vehicle" means a new motor vehicle originally equipped to be propelled only by electricity and that may be legally operated on both interstate highways and turnpikes in this state and that is eligible for registration pursuant to the Oklahoma Vehicle License and Registration Act. The term does not include:

a. medium-speed electric motor vehicles, or

b. low-speed electric motor vehicles;

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

3. "Low-speed electric motor vehicle" means a new four-wheeled electrical vehicle that is powered by an electric motor that draws current from rechargeable storage batteries or other sources of electrical current and whose top speed is greater than twenty (20) miles per hour but not greater than twenty-five (25) miles per hour and is manufactured in compliance with the National Highway Traffic

1 Safety Administration standards as contained in 49 C.F.R. 571.500.

2 In order to be eligible the vehicle must be eligible for
3 registration pursuant to the Oklahoma Vehicle License and
4 Registration Act; and

5 4. "Medium-speed electric motor vehicle" means any self-
6 propelled, electrically powered four-wheeled motor vehicle, equipped
7 with a roll cage or crush-proof body design, whose speed attainable
8 in one (1) mile is more than thirty (30) miles per hour but not
9 greater than thirty-five (35) miles per hour and, other than the
10 speed requirement, is manufactured in compliance with the National
11 Highway Traffic Safety Administration standards as contained in 49
12 C.F.R. 571.500. In order to be eligible the vehicle must be
13 eligible for registration pursuant to the Oklahoma Vehicle License
14 and Registration Act.

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

21 C. The credit provided for in subsection B of this section
22 shall be as follows:
23
24

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

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

7 3. For a low-speed electric motor vehicle defined in paragraph
8 3 of subsection A of this section a per-vehicle-manufactured credit
9 of Five Hundred Dollars (\$500.00).

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

16 E. The Oklahoma Tax Commission is herein empowered to
17 promulgate rules by which the purpose of this section shall be
18 administered.

19 F. The credit authorized by this section shall not be claimed
20 with respect to any one vehicle based upon multiple definitions as
21 set out in subsection A of this section even if such vehicle would
22 otherwise qualify for tax credits based upon qualification pursuant
23 to more than one definition.
24

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

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

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

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

B. In order to claim the tax credit authorized by paragraph 1 of subsection A of this section, a volunteer firefighter shall be required to provide adequate documentation to the Oklahoma Tax Commission of at least twelve (12) credited hours toward the State Support or State Basic Firefighter or Firefighter I from an internationally recognized accrediting assembly or board, their equivalent, or other related fire or emergency medical services training approved by the Council on Firefighter Training and offered by Oklahoma State University Fire Service Training or Oklahoma

1 Department of Career and Technology Education prior to or during the
2 first taxable year for which a tax credit is claimed pursuant to
3 paragraph 1 of subsection A of this section. For the purpose of
4 this subsection, the local fire chief shall be the authority having
5 jurisdiction and shall choose and approve all volunteer firefighter
6 training in the applicable department.

7 C. For each year subsequent to the first year for which a
8 volunteer firefighter may claim the tax credit authorized by
9 paragraph 1 of subsection A of this section, in order to claim any
10 further tax credits pursuant to paragraph 1 of subsection A of this
11 section, the volunteer firefighter shall be required to provide
12 documentation that the firefighter has completed an additional six
13 (6) hours of State Support or State Basic Firefighter or Firefighter
14 I from an internationally recognized accrediting assembly or board,
15 their equivalent, or other related fire or emergency medical
16 services training approved by the Council on Firefighter Training
17 until such program or its equivalent is completed. For purposes of
18 this subsection, equivalency shall be determined by the Oklahoma
19 Council on Firefighter Training and Oklahoma State University Fire
20 Service Training. For purposes of this subsection, Firefighter I or
21 Firefighter II certifications or their equivalents may be provided
22 in lieu of the State Support or State Basic Firefighter completion.

23 D. After having completed the State Support or State Basic
24 Firefighter program, in order to be eligible for the tax credit

1 authorized by paragraph 2 of subsection A of this section, the
2 volunteer firefighter shall:

3 1. Complete at least six (6) hours of continuing education each
4 year until the volunteer firefighter completes Intermediate or
5 Advanced Firefighter or Firefighter I from an internationally
6 recognized accrediting assembly or board, their equivalent, or other
7 related fire or emergency medical services training approved by the
8 Council on Firefighter Training or its equivalent. For purposes of
9 this paragraph, equivalency shall be determined by the Oklahoma
10 Council on Firefighter Training and Oklahoma State University Fire
11 Service Training;

12 2. After completion of Intermediate or Advanced Firefighter or
13 Firefighter I from an internationally recognized accrediting
14 assembly or board, their equivalent, or other related fire or
15 emergency medical services training approved by the Council on
16 Firefighter Training, the volunteer firefighter shall complete six
17 (6) hours of training per year to claim the tax credit. For the
18 purpose of this subsection, the local fire chief shall be the
19 authority having jurisdiction and shall choose and approve all
20 volunteer firefighter training in the applicable department;

21 3. Provide documentation from the fire chief of the applicable
22 department that the firefighter has been provided and participated
23 in all annual training as required by federal and state authorities;
24 and

1 4. Provide documentation from the fire chief of the applicable
2 department that the volunteer firefighter has met the requirements
3 under the fire department's constitution and bylaws and is a member
4 in good standing of the department together with a record of the
5 total number of years of service in good standing with such
6 department.

7 E. The Office of the State Fire Marshal and the Oklahoma
8 Council on Firefighter Training shall prescribe a reporting form for
9 use by volunteer fire departments and by volunteer firefighters in
10 order to provide the certifications required by this section.

11 F. The Oklahoma Tax Commission may require copies of such
12 reporting form provided by the Oklahoma Council on Firefighter
13 Training regarding training history to verify eligibility for the
14 tax credits provided by this section.

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

17 Section 2370. A. For taxable years beginning after December
18 31, 1989, for the privilege of doing business within this state,
19 every state banking association, national banking association and
20 credit union organized under the laws of this state, located or
21 doing business within the limits of the State of Oklahoma shall
22 annually pay to this state a privilege tax at the rate of six
23 percent (6%) of the amount of the taxable income as provided in this
24 section.

1 B. 1. The privilege tax levied by this section shall be in
2 addition to the Business Activity Tax levied in Section 1218 of this
3 title and the franchise tax levied in Article 12 of this title and
4 in lieu of the tax levied by Section 2355 of this title and in lieu
5 of all taxes levied by the State of Oklahoma, or any subdivision
6 thereof, upon the shares of stock or personal property of any
7 banking association or credit union subject to taxation under this
8 section.

9 2. Nothing in this section shall be construed to exempt the
10 real property of any banking associations or credit unions from
11 taxation to the same extent, according to its value, as other real
12 property is taxed. Nothing herein shall be construed to exempt an
13 association from payment of any fee or tax authorized or levied
14 pursuant to the banking laws.

15 3. Personal property which is subject to a lease agreement
16 between a bank or credit union, as lessor, and a nonbanking business
17 entity or individual, as lessee, is not exempt from personal
18 property ad valorem taxation. Provided further, that it shall be
19 the duty of the lessee of such personal property to return sworn
20 lists or schedules of their taxable property within each county to
21 the county assessor of such county as provided in Sections 2433 and
22 2434 of this title.

23 C. Any tax levied under this section shall accrue on the last
24 day of the taxable year and be payable as provided in Section 2375

1 of this title. The accrual of such tax for the first taxable year
2 to which this act applies, shall apply notwithstanding the prior
3 accrual of a tax in the same taxable year based upon the net income
4 of the next preceding taxable year; provided, however, any
5 additional deduction enuring to the benefit of the taxpayer shall be
6 deducted in accordance with the optional transitional deduction
7 procedures in Section 2354 of this title.

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

12 1. There shall be deducted all interest income on obligations
13 of the United States government and agencies thereof not otherwise
14 exempted and all interest income on obligations of the State of
15 Oklahoma or political subdivisions thereof, including public trust
16 authorities, not otherwise exempted under the laws of this state;
17 and

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

1 E. 1. Except as otherwise provided in paragraph 2 of this
2 subsection, for taxable years ending before January 1, 2016, there
3 shall be allowed a credit against the tax levied in subsection A of
4 this section in an amount equal to the amount of taxable income
5 received by a participating financial institution as defined in
6 Section 90.2 of Title 62 of the Oklahoma Statutes pursuant to a loan
7 made under the Rural Economic Development Loan Act. Such credit
8 shall be limited each year to five percent (5%) of the amount of
9 annual payroll certified by the Oklahoma Rural Economic Development
10 Loan Program Review Board pursuant to the provisions of paragraph 3
11 of subsection B of Section 90.4 of Title 62 of the Oklahoma Statutes
12 with respect to the loan made by the participating financial
13 institution and may be claimed for any number of years necessary
14 until the amount of total credits claimed is equal to the total
15 amount of taxable income received by the participating financial
16 institution pursuant to the loan. Any credit allowed but not used
17 in a taxable year may be carried forward for a period not to exceed
18 five (5) taxable years. In no event shall a credit allowed pursuant
19 to the provisions of this subsection be transferable or refundable.

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

1 ~~provisions of this paragraph shall cease to be operative on July 1,~~
2 ~~2012. Beginning July 1, 2012, the~~ The credit authorized by this
3 ~~subsection~~ section may be claimed for any event, transaction,
4 investment, expenditure or other act occurring ~~on or after~~ during
5 the time period beginning on July 1, 2012, and ending on December
6 31, 2015, according to the provisions of this ~~subsection~~ section.

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

9 Section 2370.3. A. There shall be allowed a credit against the
10 tax imposed by Section 2370 of ~~Title 68 of the Oklahoma Statutes~~
11 this title for any state banking association, national banking
12 association, or credit union domiciled in this state for the amount
13 of the origination fee paid by the banking association or credit
14 union to the United States Department of Education pursuant to the
15 "Stafford" loan guaranty program for an Oklahoma resident.

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

19 C. No credit may be claimed pursuant to this section if,
20 pursuant to the agreement between the banking association or credit
21 union and the student to which proceeds are made available, the
22 banking association or credit union adds the amount of the U.S.
23 Department of Education origination fee to the amount financed by
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1 the borrower or in any other way recovers the origination fee amount
2 from the borrower.

3 D. The credit authorized by this section may be claimed, and if
4 not fully used in the initial year for which the credit is claimed,
5 may be carried over, in order, to each of the five (5) succeeding
6 taxable years. The credit authorized by this section may not be
7 used to reduce the tax liability of the credit claimant below zero
8 (0).

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

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.

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

3 Section 2905. The provisions of Sections 2904 through 2911 of
4 this title shall apply only to persons sixty-five (65) years of age
5 or older or to any totally disabled person, who is head of a
6 household, was a resident of and domiciled in this state during the
7 entire preceding calendar year, and whose gross household income
8 does not exceed the amount of Twelve Thousand Dollars (\$12,000.00)
9 for any calendar year and may be claimed only for taxable years
10 ending before January 1, 2016. The provisions of these sections
11 shall be administered by the Oklahoma Tax Commission, which shall
12 devise and furnish appropriate forms for claims, reports of
13 household income, proof of property taxes paid, and such other forms
14 as may be deemed necessary to support claims made pursuant to said
15 sections.

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

18 Section 5011. A. Except as otherwise provided by this section,
19 beginning with the calendar year 1990 and for each calendar year
20 through 1998, and for calendar year 2003, any individual who is a
21 resident of and is domiciled in this state during the entire
22 calendar year for which the filing is made and whose gross household
23 income for such year does not exceed Twelve Thousand Dollars
24 (\$12,000.00) may file a claim for sales tax relief.

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

6 1. For an individual not subject to the provisions of paragraph
7 2 of this subsection and claiming no allowable personal exemption
8 other than the allowable personal exemption for that individual or
9 the spouse of that individual, Fifteen Thousand Dollars
10 (\$15,000.00); or

11 2. For an individual claiming one or more allowable personal
12 exemptions other than the allowable personal exemption for that
13 individual or the spouse of that individual, an individual with a
14 physical disability constituting a substantial handicap to
15 employment, or an individual who is sixty-five (65) years of age or
16 older at the close of the tax year, Thirty Thousand Dollars
17 (\$30,000.00).

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

23 1. For an individual not subject to the provisions of paragraph
24 2 of this subsection and claiming no allowable personal exemption

1 other than the allowable personal exemption for that individual or
2 the spouse of that individual, Twenty Thousand Dollars (\$20,000.00);
3 or

4 2. For an individual claiming one or more allowable personal
5 exemptions other than the allowable personal exemption for that
6 individual or the spouse of that individual, an individual with a
7 physical disability constituting a substantial handicap to
8 employment, or an individual who is sixty-five (65) years of age or
9 older at the close of the tax year, Fifty Thousand Dollars
10 (\$50,000.00).

11 D. The amount of the claim filed pursuant to the Sales Tax
12 Relief Act shall be Forty Dollars (\$40.00) multiplied by the number
13 of allowable personal exemptions. As used in the Sales Tax Relief
14 Act, "allowable personal exemption" means a personal exemption to
15 which the taxpayer would be entitled pursuant to the provisions of
16 the Oklahoma Income Tax Act, except for:

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

20 2. An exemption for a person convicted of a felony if during
21 all or any part of the calendar year for which the claim is filed
22 such person was an inmate in the custody of the Department of
23 Corrections; or
24

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

4 E. A person convicted of a felony shall not be permitted to
5 file a claim for sales tax relief pursuant to the provisions of
6 Sections 5010 through 5016 of this title for the period of time
7 during which the person is an inmate in the custody of the
8 Department of Corrections. Such period of time shall include the
9 entire calendar year if the person is in the custody of the
10 Department of Corrections during any part of the calendar year. The
11 provisions of this subsection shall not prohibit all other members
12 of the household of an inmate from filing a claim based upon the
13 personal exemptions to which the household members would be entitled
14 pursuant to the provisions of the Oklahoma Income Tax Act.

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

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

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

1 Section 54006. A. Except as provided in subsection F of this
2 section, for taxable years beginning after December 31, 1992, and
3 before January 1, 2003, and for taxable years beginning after
4 December 31, 2005, and before January 1, 2016, there shall be
5 allowed a credit against the tax imposed by Section 2355 of this
6 title for a net increase in the number of full-time-equivalent
7 employees engaged in computer services, data processing or research
8 and development as defined in Section 54003 of this title, in this
9 state including employees engaged in support services.

10 B. The credit provided for in subsection A of this section
11 shall be allowed in each of the four (4) subsequent years only if
12 the level of new employees is maintained in the subsequent year;
13 provided, such credit shall be allowed in each of the eight (8)
14 subsequent years only if the level of new employees is maintained in
15 the subsequent year and if the credit is taken for taxable years
16 beginning after December 31, 2005. In calculating the credit by the
17 number of new employees, only those employees whose paid wages or
18 salary were at least Thirty-five Thousand Dollars (\$35,000.00)
19 during each year the credit is claimed shall be included in the
20 calculation. The number of new employees shall be determined by
21 comparing the monthly average number of full-time employees subject
22 to Oklahoma income tax withholding for the final quarter of the
23 taxable year with the corresponding period of the prior taxable
24

1 year, as substantiated by such reports as may be required by the Tax
2 Commission.

3 C. For credits taken for taxable years beginning after December
4 31, 1992, and before January 1, 2003, in order to be eligible to
5 receive the credit provided for in subsection A of this section, a
6 new or expanding business shall not include the existing employee
7 positions of any business enterprise that is directly or
8 beneficially owned by a corporation, trust, joint venture,
9 proprietorship, or partnership doing business in this state as of
10 January 1, 1992. For credits taken for taxable years beginning
11 after December 31, 2005, in order to be eligible to receive the
12 credit provided for in subsection A of this section, a new or
13 expanding business shall not include the existing employee positions
14 of any business enterprise that is directly or beneficially owned by
15 a corporation, trust, joint venture, proprietorship, or partnership
16 doing business in this state as of January 1, 2005.

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

20 E. Any credits allowed but not used in any taxable year may be
21 carried over in order to each of the four (4) years following the
22 year of qualification and to the extent not used in those years in
23 order to each of the five (5) years following the initial five-year
24 period.

1 F. 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 31. This act shall become effective November 1, 2013.

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