

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 56th Legislature (2017)

4 ENGROSSED SENATE
5 BILL NO. 120

 By: David and Pittman of the
 Senate

6 and

7 Fetgatter and Osborn
8 (Leslie) of the House

9
10 An Act relating to income tax; amending 68 O.S. 2011,
11 Sections 2357.302, 2357.303 and 2357.304, as amended
12 by Sections 2, 3 and 4, Chapter 30, O.S.L. 2014 (68
13 O.S. Supp. 2016, Sections 2357.302, 2357.303 and
14 2357.304), which relate to income tax credits for
15 aerospace industry; extending time period during
16 which credits may be claimed; and providing an
17 effective date.

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

19 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2357.302, as
20 amended by Section 2, Chapter 30, O.S.L. 2014 (68 O.S. Supp. 2016,
21 Section 2357.302), is amended to read as follows:

22 Section 2357.302. A. Except as provided in subsection F of
23 this section, for taxable years beginning after December 31, 2008,
24 and ending before ~~January 1, 2018~~ January 1, 2026, a qualified
 employer shall be allowed a credit against the tax imposed pursuant

1 to Section 2355 of this title for tuition reimbursed to a qualified
2 employee.

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

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

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

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

19 F. 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 July 1, 2010, for
22 which the credit would otherwise be allowable. The provisions of
23 this subsection shall cease to be operative on July 1, 2011.
24 Beginning July 1, 2011, the credit authorized by this section may be

1 claimed for any event, transaction, investment, expenditure or other
2 act occurring on or after July 1, 2011, according to the provisions
3 of this section.

4 SECTION 2. AMENDATORY 68 O.S. 2011, Section 2357.303, as
5 amended by Section 3, Chapter 30, O.S.L. 2014 (68 O.S. Supp. 2016,
6 Section 2357.303), is amended to read as follows:

7 Section 2357.303. A. Except as provided in subsection F of
8 this section, for taxable years beginning after December 31, 2008,
9 and ending before ~~January 1, 2018~~ January 1, 2026, a qualified
10 employer shall be allowed a credit against the tax imposed pursuant
11 to Section 2355 of this title for compensation paid to a qualified
12 employee.

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

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

19 2. Five percent (5%) of the compensation paid for the first
20 through fifth years of employment in the aerospace sector if the
21 qualified employee graduated from an institution located outside
22 this state.

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

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

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

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

18 SECTION 3. AMENDATORY 68 O.S. 2011, Section 2357.304, as
19 amended by Section 4, Chapter 30, O.S.L. 2014 (68 O.S. Supp. 2016,
20 Section 2357.304), is amended to read as follows:

21 Section 2357.304. A. Except as provided in subsection D of
22 this section, for taxable years beginning after December 31, 2008,
23 and ending before ~~January 1, 2018~~ January 1, 2026, a qualified
24 employee shall be allowed a credit against the tax imposed pursuant

1 to Section 2355 of this title of up to Five Thousand Dollars
2 (\$5,000.00) per year for a period of time not to exceed five (5)
3 years.

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

8 D. 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 July 1, 2010, for
11 which the credit would otherwise be allowable. The provisions of
12 this subsection shall cease to be operative on July 1, 2011.
13 Beginning July 1, 2011, the credit authorized by this section may be
14 claimed for any event, transaction, investment, expenditure or other
15 act occurring on or after July 1, 2011, according to the provisions
16 of this section.

17 SECTION 4. This act shall become effective November 1, 2017.

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19 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
20 04/11/2017 - DO PASS, As Coauthored.

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