

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

HOUSE BILL 3109

By: Proctor

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2011, Sections 2357.302, 2357.303 and 2357.304, as last amended by Sections 1, 2 and 3, Chapter 153, O.S.L. 2017 (68 O.S. Supp. 2017, Sections 2357.302, 2357.303 and 2357.304), which relate to income tax credits for aerospace industry; reducing time during which credits may be claimed; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2357.302, as last amended by Section 1, Chapter 153, O.S.L. 2017 (68 O.S. Supp. 2017, Section 2357.302), is amended to read as follows:

Section 2357.302 A. Except as provided in subsection F of this section, for taxable years beginning after December 31, 2008, and ending before ~~January 1, 2026~~ January 1, 2018, a qualified employer shall be allowed a credit against the tax imposed pursuant to Section 2355 of this title for tuition reimbursed to a qualified employee.

B. The credit authorized by subsection A of this section may be claimed only if the qualified employee has been awarded an

1 undergraduate or graduate degree within one (1) year of commencing
2 employment with the qualified employer.

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

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

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

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

1 SECTION 2. AMENDATORY 68 O.S. 2011, Section 2357.303, as
2 last amended by Section 2, Chapter 153, O.S.L. 2017 (68 O.S. Supp.
3 2017, Section 2357.303), is amended to read as follows:

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

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

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

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

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

1 D. The credit authorized by this section shall not be used to
2 reduce the tax liability of the qualified employer to less than zero
3 (0).

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

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

15 SECTION 3. AMENDATORY 68 O.S. 2011, Section 2357.304, as
16 last amended by Section 3, Chapter 153, O.S.L. 2017 (68 O.S. Supp.
17 2017, Section 2357.304), is amended to read as follows:

18 Section 2357.304 A. Except as provided in subsection D of this
19 section, for taxable years beginning after December 31, 2008, and
20 ending before ~~January 1, 2026~~ January 1, 2018, a qualified employee
21 shall be allowed a credit against the tax imposed pursuant to
22 Section 2355 of this title of up to Five Thousand Dollars
23 (\$5,000.00) per year for a period of time not to exceed five (5)
24 years.

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

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

5 D. No credit otherwise authorized by the provisions of this
6 section may be claimed for any event, transaction, investment,
7 expenditure or other act occurring on or after July 1, 2010, for
8 which the credit would otherwise be allowable. The provisions of
9 this subsection shall cease to be operative on July 1, 2011.

10 Beginning July 1, 2011, the credit authorized by this section may be
11 claimed for any event, transaction, investment, expenditure or other
12 act occurring on or after July 1, 2011, according to the provisions
13 of this section.

14 SECTION 4. This act shall become effective November 1, 2018.

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