STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

HOUSE BILL 3111 By: Proctor

AS INTRODUCED

An Act relating to revenue and taxation; imposing limitation on utilization of certain tax credits; defining terms; specifying tax credits subject to limitation; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.1001 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Tax credit" means a method by which a person or entity may reduce any state tax liability pursuant to a statutory authorization allowing the tax to be reduced either by a percentage or a specific dollar amount after the applicable tax rate amount has been multiplied by the applicable tax base amount and which results in a net tax liability after the tax credit amount has been subtracted from a gross tax liability amount; and

2. "Outsourcing" means to employ a foreign workforce or contract for the services of a foreign workforce in place of a domestic workforce. For purposes of this paragraph, "foreign" means outside the territory of the United States of America, and "domestic" means within the territory of the United States of America.

B. No person or entity employing individuals may utilize a tax credit otherwise authorized in the Oklahoma Statutes during any taxable year in which the person or entity outsources jobs at a greater proportional amount than in effect on July 1, 2018.

C. The tax credits subject to the limitation provided by subsection B of this section are as follows which are codified in Title 68 of the Oklahoma Statutes unless otherwise specifically indicated:

1. Section 2357, related to the use of natural gas;

2. Section 2357.4, related to investment in certain depreciable property and job creation;

3. Section 2357.7, related to certain venture capital investment;

4. Section 2357.11, related to production or use of coal;

5. Section 2357.22, related to property involved in use of compressed natural gas;

6. Section 2357.25, related to certain agricultural processing facilities;

7. Section 2357.27, related to certain child-care-service expenditures;

8. Section 2357.28, related to investment in certain business activity;

9. Section 2357.32A, related to electric power generated from zero-emission facilities;

10. Section 2357.41, related to certain qualified rehabilitation expenditures;

11. Section 2357.42, related to investment in certain business activity;

12. Section 2357.46, related to construction of energy efficient residential structures;

13. Section 2357.47, related to certain expenses incurred by employers related to employees;

14. Section 2357.62, related to certain investment in qualified small business capital companies;

15. Section 2357.63, related to co-investment in qualified small capital companies;

16. Section 2357.73, related to certain investment in qualified rural capital companies;

17. Section 2357.74, related to certain co-investment in qualified rural capital companies;

18. Section 2357.100, related to poultry litter;

19. Section 2357.101, related to certain film- or music-related expenditures;

20. Section 2357.104, related to qualified expenses for railroads;

21. Section 2357.201, related to expenditures by certain business enterprises;

22. Section 2357.202, related to certain aerospace business facilities;

23. Section 2357.302, related to certain tuition costs paid by aerospace business enterprises;

24. Section 2357.303, related to certain expenditures by aerospace business enterprises;

25. Section 2357.401, related to electronic funds transfer fees; and

26. Section 2357.403, related to certain affordable housing tax credits.

SECTION 2. This act shall become effective November 1, 2018.

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