

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 SUBCOMMITTEE RECOMMENDATION
4 FOR

5 HOUSE BILL NO. 3112

6 By: Hill

7 SUBCOMMITTEE RECOMMENDATION

8 An Act relating to revenue and taxation; authorizing
9 income tax credit for certain qualifying occupations;
10 defining terms; specifying amount of tax credit;
11 prohibiting credit from reducing income tax liability
12 to less than designated amount; providing for
13 carryover; providing for codification; and providing
14 an effective date.

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

16 SECTION 1. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 2357.701 of Title 68, unless
18 there is created a duplication in numbering, reads as follows:

19 As used in this act:

20 1. "Qualifying occupation" means engineering in the field of
21 electronics, physics, solar energy, chemistry or related fields of
22 study either as an employee or independent contractor on behalf of a
23 private for-profit business establishment or a governmental unit
24 engaged in the research, development, production or sale of
batteries designed for power storage capacity over an extended

1 period and that could be used for the power supply of electric
2 vehicles or other applications requiring the ability to store
3 electric energy over a long period of time;

4 2. "Compensation" means payments in the form of contract labor
5 for which the payor is required to provide a Form 1099 to the person
6 paid, wages subject to withholding tax paid to a part-time employee
7 or full-time employee, or salary or other remuneration.

8 Compensation shall not include employer-provided retirement, medical
9 or health care benefits, reimbursement for travel, meals, lodging or
10 any other expense;

11 3. "Institution" means an institution within The Oklahoma State
12 System of Higher Education or any other public or private college or
13 university that is accredited by a national accrediting body;

14 4. "Qualified employer" means a sole proprietor, general
15 partnership, limited partnership, limited liability company,
16 corporation, other legally recognized business entity, or public
17 entity;

18 5. "Qualified employee" means any person employed in this state
19 by or contracting in this state with a qualified employer on or
20 after January 1, 2021, who has been awarded an undergraduate or
21 graduate degree from a qualified program by an institution and who
22 is compensated by a qualified employer for performance of service in
23 a qualifying occupation;

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1 6. "Qualified program" means a program that has been accredited
2 by the Engineering Accreditation Commission of the Accreditation
3 Board for Engineering and Technology (ABET) and that awards an
4 undergraduate or graduate degree.

5 SECTION 2. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 2357.702 of Title 68, unless
7 there is created a duplication in numbering, reads as follows:

8 A. For taxable years beginning on or after January 1, 2021, and
9 ending not later than December 31, 2025, a qualified employee shall
10 be allowed a credit against the tax imposed pursuant to Section 2355
11 of Title 68 of the Oklahoma Statutes of up to Five Thousand Dollars
12 (\$5,000.00) per year for a period of time not to exceed five (5)
13 years.

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

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

18 SECTION 3. This act shall become effective January 1, 2021.

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