

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

HOUSE BILL 3112

By: Hill

AS INTRODUCED

An Act relating to revenue and taxation; authorizing income tax credit for certain qualifying occupations; defining terms; specifying amount of tax credit; prohibiting credit from reducing income tax liability to less than designated amount; providing for carryover; 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 2357.701 of Title 68, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Qualifying occupation" means engineering in the field of electronics, physics, solar energy, chemistry or related fields of study either as an employee or independent contractor on behalf of a private for-profit business establishment or a governmental unit engaged in the research, development, production or sale of batteries designed for power storage capacity over an extended period and that could be used for the power supply of electric

1 vehicles or other applications requiring the ability to store  
2 electric energy over a long period of time;

3 2. "Compensation" means payments in the form of contract labor  
4 for which the payor is required to provide a Form 1099 to the person  
5 paid, wages subject to withholding tax paid to a part-time employee  
6 or full-time employee, or salary or other remuneration. Compensation  
7 shall not include employer-provided retirement, medical or health-  
8 care benefits, reimbursement for travel, meals, lodging or any other  
9 expense;

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

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

17 5. "Qualified employee" means any person, regardless of the  
18 date of hire, employed in this state by or contracting in this state  
19 with a qualified employer on or after January 1, 2021, who has been  
20 awarded an undergraduate or graduate degree from a qualified program  
21 by an institution;

22 6. "Qualified program" means a program that has been accredited  
23 by the Engineering Accreditation Commission of the Accreditation  
24

1 Board for Engineering and Technology (ABET) and that awards an  
2 undergraduate or graduate degree.

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

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

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

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

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

17  
18 57-2-9376 MAH 01/15/20  
19  
20  
21  
22  
23  
24