

STATE OF OKLAHOMA

1st Session of the 58th Legislature (2021)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL 915

By: Howard and Hall

COMMITTEE SUBSTITUTE

An Act relating to income tax deduction; providing deduction for certain investments; requiring the Oklahoma Department of Commerce to determine investors eligible for deduction; requiring the creation of a program within the Oklahoma Department of Commerce; requiring the Oklahoma Department of Commerce to maintain a list; providing for determination of qualified investment; providing certain exemption to the Oklahoma Open Records Act; requiring application to the Oklahoma Department of Commerce for certain certificate; requiring the Oklahoma Department of Commerce to review applications; requiring the Oklahoma Tax Commission to provide certain report; authorizing the Oklahoma Department of Commerce to promulgate rules; 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 2358.200 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For tax year 2022 and subsequent tax years, there shall be allowed a deduction against the tax imposed in Section 2355 of Title 68 of the Oklahoma Statutes for making investments in qualified

1 venture capital and growth funds, qualified special purpose
2 investment vehicles and qualified Oklahoma-based startups by
3 accredited investors, as defined by the United States Securities and
4 Exchange Commission (SEC) provided in 17 CFR, Section 230.501
5 (Regulation D). The Oklahoma Department of Commerce shall determine
6 the investments that qualify for the deduction.

7 B. A program shall be created within the Oklahoma Department of
8 Commerce and shall be known as the "Oklahoma Back a Business"
9 program. As part of the Oklahoma Back a Business program, the
10 Oklahoma Department of Commerce shall maintain a list of Oklahoma
11 qualified investments for which the tax deduction may be sought. In
12 determining whether an investment is a qualified investment that
13 will be eligible for the tax deduction, the Oklahoma Department of
14 Commerce shall consider the following factors:

- 15 1. The primary location of the entity;
- 16 2. The number of employees located or to be located in this
17 state;
- 18 3. Revenues generated;
- 19 4. The type and amount of investment being sought;
- 20 5. The current capitalization level and strategy; and
- 21 6. The industry classification.

22 C. Any records sent to or received by the Oklahoma Department
23 of Commerce will not be subject to disclosure pursuant to Section
24 24A.10 of Title 51 of the Oklahoma Statutes.

1 D. Accredited investors seeking a tax deduction shall apply to
2 the Oklahoma Department of Commerce for a tax deduction certificate
3 detailing the level of investment in an Oklahoma qualified
4 investment. The Oklahoma Department of Commerce shall review the
5 application to ensure it meets the requirements of the program and
6 forward it to the Oklahoma Tax Commission.

7 E. The Oklahoma Tax Commission shall report once a year to the
8 Oklahoma Department of Commerce the number and amount of tax
9 deductions granted. Upon completion of the report, the Commission
10 shall deliver a copy of the report to the Speaker of the House of
11 Representatives and the President Pro Tempore of the Senate.

12 F. The Department may promulgate rules to enforce the
13 provisions of this act. The Department shall annually publish a
14 report on the program created in this section.

15 SECTION 2. This act shall become effective November 1, 2021.

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