

BILL SUMMARY
2nd Session of the 58th Legislature

Bill No.:	SB 1768
Version:	CS
Request Number:	11430
Author:	Chairman Wallace
Date:	4/27/2022
Impact:	Tax Commission:

UNKNOWN Decrease in Revenue

Research Analysis

Pending

Prepared By: House Research Staff

Fiscal Analysis

Review provided by the Tax Commission:

This measure proposes to enact a new non-refundable, non-saleable¹ "state tax credit" against a "state tax liability".² Commerce is required to authorize capital investments eligible for no more than \$15,000,000 in tax credits in any calendar year.³ Upon making a capital investment in a rural fund, a rural investor earns a vested right to a credit against such entity's state tax liability that may be utilized on each credit allowance date of such capital investment in an amount equal to the applicable percentage⁴ for such credit allowance date multiplied by the purchase price paid to the rural fund for the capital investment.

This measure further proposes to amend 68 O.S. § 205 relating to the confidentiality of the records and files of the Tax Commission by allowing the Tax Commission to disclose to Commerce information regarding tax credits authorized pursuant to the provisions of the *Oklahoma Rural Jobs Act*. Commerce would not be prohibited from disclosing information relating to tax credits authorized pursuant to the provisions of the *Oklahoma Rural Jobs Act*

¹ Credits earned by or allocated to a partnership, limited liability company, or S-corporation may be allocated to the partners, members, or shareholders of such entity for their direct use in accordance with the provisions of any agreement among such partners, members, or shareholders, and a rural fund shall notify Commerce of the names of the entities that are eligible to utilize transfer of a capital investment upon such allocation, change or transfer. Such allocation shall not be considered a sale of the credits.

² State tax liability is "any liability incurred by any entity subject to the state income tax imposed under Title 68 of the Oklahoma Statutes or an insurance company paying an annual tax on its gross premium receipts including retaliatory tax or under provisions of Title 68 or Title 19 of the Oklahoma Statutes".

³ Commerce may not accept any applications for this credit after December 31, 2032.

⁴ Applicable percentage is 0% for the first 2 credit allowance dates and 15% for the next 4 credit allowance dates.

Prepared By: Mark Tygret

Other Considerations

Any administrative costs to the Department of Commerce are under review.

