

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 1768</b>
<b>Version:</b>	<b>Proposed Committee Substitute</b>
<b>Request Number:</b>	<b>11409</b>
<b>Author:</b>	<b>Wallace</b>
<b>Date:</b>	<b>4/20/2022</b>
<b>Impact:</b>	<b>Please see previous summary of this measure</b>

**Research Analysis**

The proposed committee substitute for SB 1768 creates the Oklahoma Rural Jobs Act, which creates a tax credit for rural funds that seek to have an equity investment certified as a capital investment. Such entities must apply to the Oklahoma Department of Commerce. The application must include:

- The amount of capital investment requested;
- A copy of the license as a rural business investment company or a small business investment company;
- Evidence that the applicant or its affiliates have invested at least \$100 million in nonpublic companies located in counties within the U.S. with a population of less than 75,000;
- A business plan that includes a revenue-impact assessment, including an estimate of the number of jobs created and retained in the state; and
- An nonrefundable application fee of \$5,000.

The amount of tax credits cannot exceed \$15 million in any calendar year, excluding any credits carried forward. Credits may be carried forward for any of the five subsequent tax years, but cannot be carried back to prior tax years. No new applications for the credits will be accepted after December 1, 2032.

No eligible business or its affiliates may own or have the right to acquire an ownership interest in a rural fund or loan to or invest in a rural fund where the proceeds are directly or indirectly used to fund or refinance the purchase of capital investments.

The PCS modifies references to certain state taxes to limit applicability of the tax credits to income tax or insurance premium tax. It also deletes a reference to an "express company" and special taxes that this type of company might pay in other states, but which is not applicable in the Oklahoma tax structure. The PCS also eliminates a reference to a "vested right" for purposes of claiming the tax credits. Finally, the PCS includes an amendment to the confidentiality provisions in the Uniform Tax Procedure Code to allow the Oklahoma Department of Commerce to have access to business and tax records that would be required in order to monitor the tax credit program.

Prepared By: Emily McPherson

**Fiscal Analysis**

The measure is currently under review and impact information will be completed.

Prepared By: Mark Tygret

### **Other Considerations**

None.

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