

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

SENATE BILL 1686

By: Stephens

AS INTRODUCED

An Act relating to income tax credit; providing a credit for certain adoption related expenses; providing refundability of credit; limiting amount of credit; authorizing the Oklahoma Tax Commission to promulgate rules and prescribe form for verification; 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 2358.13 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For tax year 2023 and subsequent tax years, there shall be allowed a credit against the tax imposed pursuant to Section 2355 of Title 68 of the Oklahoma Statutes in an amount equal to fifty percent (50%) of adoption related costs to adoptive parents of a resident of this state or a child born to a resident of this state that results in the filing of a certificate of decree of adoption, after the effective date of this act, as provided in Section 7505-6.6 of Title 10 of the Oklahoma Statutes. Adoption related costs

1 shall include relevant court fees, fees paid to adoption service
2 agencies, prenatal and natal medical expenses of the biological
3 mother pursuant to an adoption agreement, and costs for home study
4 as may be required pursuant to Section 7505-5.1 of Title 10 of the
5 Oklahoma Statutes.

6 B. If the credit provided in this section exceeds the tax
7 imposed by Section 2355 of Title 68 of the Oklahoma Statutes, the
8 excess amount shall be refunded to the taxpayer. The credit
9 provided in this section shall not exceed Five Thousand Dollars
10 (\$5,000.00) for each certificate of decree of adoption.

11 C. The total amount of credits authorized by this section used
12 to offset tax shall be adjusted annually to limit the annual amount
13 of credits to Five Million Dollars (\$5,000,000.00). The Oklahoma
14 Tax Commission shall annually calculate and publish a percentage by
15 which the credits authorized by this section shall be reduced so the
16 total amount of credits used to offset tax does not exceed Five
17 Million Dollars (\$5,000,000.00) per year. The formula to be used
18 for the percentage adjustment shall be Five Million Dollars
19 (\$5,000,000.00) divided by the credits claimed in the second
20 preceding year.

21 D. The Oklahoma Tax Commission may promulgate rules or
22 prescribe forms to verify costs and taxpayer qualification for the
23 credit provided in this section.
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SECTION 2. This act shall become effective November 1, 2022.

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