

An Act

ENROLLED HOUSE
BILL NO. 1008

By: McNeil, Jackson, Pittman
and Walker of the House

and

Mazzei of the Senate

An Act relating to revenue and taxation; amending Sections 2, 3 and 4, Chapter 417, O.S.L. 2008, as amended by Sections 26, 27 and 28, Chapter 327, O.S.L. 2010 (68 O.S. Supp. 2010, Sections 2357.302, 2357.303 and 2357.304), which relate to income tax credits; modifying reference to certain taxable years; and modifying the time period during which certain tax credits may be claimed.

SUBJECT: Revenue and taxation

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY Section 2, Chapter 417, O.S.L. 2008, as amended by Section 26, Chapter 327, O.S.L. 2010 (68 O.S. Supp. 2010, Section 2357.302), is amended to read as follows:

Section 2357.302 A. Except as provided in subsection F of this section, for taxable years beginning after December 31, 2008, and ending before January 1, 2015, a qualified employer shall be allowed a credit against the tax imposed pursuant to Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title for tuition reimbursed to a qualified employee.

B. The credit authorized by subsection A of this section may be claimed only if the qualified employee has been awarded an undergraduate or graduate degree within one (1) year of commencing employment with the qualified employer.

C. The credit authorized by subsection A of this section shall be in the amount of fifty percent (50%) of the tuition reimbursed to a qualified employee for the first through fourth years of employment. In no event shall this credit exceed fifty percent (50%) of the average annual amount paid by a qualified employee for enrollment and instruction in a qualified program at a public institution in Oklahoma.

D. The credit authorized by subsection A of this section shall not be used to reduce the tax liability of the qualified employer to less than zero (0).

E. No credit authorized by this section shall be claimed after the fourth year of employment.

F. No credit otherwise authorized by the provisions of this section may be claimed for any event, transaction, investment, expenditure or other act occurring on or after July 1, 2010, for which the credit would otherwise be allowable. The provisions of this subsection shall cease to be operative on ~~July 1, 2012~~ July 1, 2011. Beginning ~~July 1, 2012~~ July 1, 2011, the credit authorized by this section may be claimed for any event, transaction, investment, expenditure or other act occurring on or after ~~July 1, 2012~~ July 1, 2011, according to the provisions of this section.

SECTION 2. AMENDATORY Section 3, Chapter 417, O.S.L. 2008, as amended by Section 27, Chapter 327, O.S.L. 2010 (68 O.S. Supp. 2010, Section 2357.303), is amended to read as follows:

Section 2357.303 A. Except as provided in subsection F of this section, for taxable years beginning after December 31, 2008, and ending before January 1, 2015, a qualified employer shall be allowed a credit against the tax imposed pursuant to Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title for compensation paid to a qualified employee.

B. The credit authorized by subsection A of this section shall be in the amount of:

1. Ten percent (10%) of the compensation paid for the first through fifth years of employment in the aerospace sector if the qualified employee graduated from an institution located in this state; or

2. Five percent (5%) of the compensation paid for the first through fifth years of employment in the aerospace sector if the qualified employee graduated from an institution located outside this state.

C. The credit authorized by this section shall not exceed Twelve Thousand Five Hundred Dollars (\$12,500.00) for each qualified employee annually.

D. The credit authorized by this section shall not be used to reduce the tax liability of the qualified employer to less than zero (0).

E. No credit authorized pursuant to this section shall be claimed after the fifth year of employment.

F. No credit otherwise authorized by the provisions of this section may be claimed for any event, transaction, investment, expenditure or other act occurring on or after July 1, 2010, for which the credit would otherwise be allowable. The provisions of this subsection shall cease to be operative on ~~July 1, 2012~~ July 1, 2011. Beginning ~~July 1, 2012~~ July 1, 2011, the credit authorized by this section may be claimed for any event, transaction, investment, expenditure or other act occurring on or after ~~July 1, 2012~~ July 1, 2011, according to the provisions of this section.

SECTION 3. AMENDATORY Section 4, Chapter 417, O.S.L. 2008, as amended by Section 28, Chapter 327, O.S.L. 2010 (68 O.S. Supp. 2010, Section 2357.304), is amended to read as follows:

Section 2357.304 A. Except as provided in subsection D of this section, for taxable years beginning after December 31, 2008, and ending before January 1, 2015, a qualified employee shall be allowed a credit against the tax imposed pursuant to Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title of up to Five Thousand Dollars (\$5,000.00) per year for a period of time not to exceed five (5) years.

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

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

D. No credit otherwise authorized by the provisions of this section may be claimed for any event, transaction, investment, expenditure or other act occurring on or after July 1, 2010, for which the credit would otherwise be allowable. The provisions of this subsection shall cease to be operative on ~~July 1, 2012~~ July 1, 2011. Beginning ~~July 1, 2012~~ July 1, 2011, the credit authorized by this section may be claimed for any event, transaction, investment, expenditure or other act occurring on or after ~~July 1, 2012~~ July 1, 2011, according to the provisions of this section.

Passed the House of Representatives the 9th day of March, 2011.

Presiding Officer of the House of
Representatives

Passed the Senate the 30th day of March, 2011.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Governor this _____
day of _____, 20____,
at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma the _____ day of
_____, 20____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this _____
_____ day of _____, 20____,
at _____ o'clock _____ M.

By: _____