

OTHER CREDITS FORM



FORM **511CR** 2007

Enclose this form and supporting documents with your Oklahoma tax return.

Name as shown on return:

Social Security Number:

Federal Identification Number:

➔ **Attention members of pass-through entities:** Enter your share of the pass-through entities' credit on the appropriate line for the type of credit. For example: Your share of the pass-through entities' Coal Credit would be entered on line 2.

See instructions for details on qualification and required enclosures.

1	Oklahoma Investment/New Jobs Credit (enclose Form 506)	1		00
2	Coal Credit.....	2		00
3	Credit for Conversion of Motor Vehicles to Clean Burning Fuel or Investments in Qualified Electric Motor Vehicle Property.....	3		00
4	Small Business Capital Credit (enclose Form 527-A)	4		00
5	Oklahoma Agricultural Producers Credit (enclose Form 520)	5		00
6	Small Business Guaranty Fee Credit (enclose Form 529)	6		00
7	Credit for Food Service Establishments that Pay for Hepatitis A Vaccination for their Employees.....	7		00
8	Credit for Energy Assistance Fund Contribution.....	8		00
9	Credit for Venture Capital Investment.....	9		00
10	Credit for Hazardous Waste Control.....	10		00
11	Credit for Qualified Recycling Facility.....	11		00
12	Credit for Employers Providing Child Care Programs	12		00
13	Credit for Entities in the Business of Providing Child Care Services.....	13		00
14	Credit for Commercial Space Industries.....	14		00
15	Credit for Nonstop Air Service from Oklahoma to the Coast	15		00
16	Credit for Tourism Development or Film or Music Production Facility	16		00
17	Oklahoma Local Development and Enterprise Zone Incentive Leverage Act Credit.	17		00
18	Credit for Qualified Rehabilitation Expenditures	18		00
19	Credit for Space Transportation Vehicle Provider.....	19		00
20	Rural Small Business Capital Credit (enclose Form 526-A).....	20		00
21	Credit for Electricity Generated by Zero-Emission Facilities	21		00
22	Credit for Financial Institutions Making Loans under the Rural Economic Development Loan Act	22		00



23	Credit for Manufacturers of Small Wind Turbines.....	23	<input type="text"/>	00
24	Credit for Qualified Ethanol Facilities	24	<input type="text"/>	00
25	Poultry Litter Credit.....	25	<input type="text"/>	00
26	Volunteer Firefighter Credit (enclose Form 1A or Form 1B)	26	<input type="text"/>	00
27	Credit for Qualified Biodiesel Facilities	27	<input type="text"/>	00
28	Film or Music Project Credit (enclose Form 562)	28	<input type="text"/>	00
29	Credit for Breeders of Specially Trained Canines.....	29	<input type="text"/>	00
30	Credit for Wages Paid to an Injured Employee	30	<input type="text"/>	00
31	Credit for Modification Expenses Paid for an Injured Employee	31	<input type="text"/>	00
32	Dry Fire Hydrant Credit.....	32	<input type="text"/>	00
33	Credit for the Construction of Energy Efficient Homes.....	33	<input type="text"/>	00
34	Credit for Railroad Modernization.....	34	<input type="text"/>	00
35	Research and Development New Jobs Credit (enclose Form 563)	35	<input type="text"/>	00
36	Credit for Stafford Loan Origination Fee (for banks & credit unions filing Form 512)	36	<input type="text"/>	00
37	Other Oklahoma Credits (please specify type of credit and Oklahoma Statute authorizing the credit)	37	<input type="text"/>	00
38	Total (add lines 1 through 37)..... Enter on the applicable line of income tax return and enter the number in the box for the type of credit. If more than one credit is claimed, enter "99" in the box.	38	<input type="text"/>	00

Notice: If any of the credits above are claimed where separately allowed on Oklahoma income tax returns, they should not be duplicated on this form.

OTHER CREDITS INFORMATION

1 Oklahoma Investment/New Jobs Credit

Manufacturers, who hold a manufacturer’s exemption permit, may qualify for the Oklahoma Investment/New Jobs Credit based on either an investment in depreciable property of at least \$50,000 or on the addition of full-time equivalent employees engaged in manufacturing, processing or aircraft maintenance. A web search portal establishment may also qualify for the credit based on an investment in depreciable property of at least \$50,000. The credit, once established, is also allowed in each of the four subsequent years if the level of new employees is maintained or the qualified property is not sold, disposed of or transferred. Any credit allowed but not used may be carried over in order to each of the four years following the year of qualification and to the extent not used in those years in order to each of the 15 years following the initial five year period. To the extent not used, any credit from qualified depreciable property placed in service on or after January 1, 2000, may be utilized in subsequent tax years after the initial twenty-year period. Enclose Form 506. Title 68 O.S. Section 2357.4 and Rule 710:50-15-74.

2 Coal Credit

Section 2357.11 (B) provides for a coal credit, for the purchase of Oklahoma-mined coal, to businesses providing water, heat, light or power from coal to the citizens of Oklahoma or to those which burn coal to generate heat, light or power for use in manufacturing operations in Oklahoma. An additional credit is allowed for Oklahoma-mined coal purchased. However, the additional credit may not be claimed or transferred prior to January 1, 2008.

Section 2357.11 (D) provides for a coal credit to businesses primarily engaged in mining, producing or extracting coal in this state. A valid permit issued by the Oklahoma Department of Mines must be held. The credit provided for in this paragraph will be allowed for coal mined, produced or extracted in any month in which the average price of coal is \$68 or more per ton, excluding freight charges.

Any credit allowed but not used will have a five year carryover provision following the year of qualification. The credit is freely transferable to any taxpayer at any time during the five years following the year of qualification upon the filing of the transfer agreement, Form 572 along with a Tax Commission acknowledgment of credits earned. The transferee shall enclose these same forms with the Form 511CR. Note: This credit, upon the election of the taxpayer, may be claimed as a payment or prepayment of tax or as an estimated tax payment. If this election is made, the credit should be claimed on this line of Form 511CR. Title 68 O.S. Section 2357.11 and Rule 710:50-15-76.

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3 Credit for Conversion of a Motor Vehicle to Clean Burning Fuels or Investment in Qualified Electric Motor Vehicle Property

There shall be a one time credit allowed for the conversion of a vehicle which is propelled by gasoline or diesel to be propelled by compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or M-85, and for investments in qualified electric property. The credit shall be 50% of the cost of qualified clean-burning motor fuel property or qualified electric motor vehicle property as defined in Title 68 O.S. Section 2357.22 and Rule 710:50-15-81. Any credit allowed but not used will have a three year carryover provision. The term "qualified electric motor vehicle property" shall not apply to vehicles which are manufactured principally for use off the streets and highways. In the case where such clean-burning equipment or qualified electric motor vehicle property is installed by the manufacturer of the vehicle and the taxpayer is unable or elects not to determine the exact basis of such equipment, the credit shall be the lesser of 10% of the cost of the vehicle or \$1,500. If all of the credit is not used in the year of the conversion, it may be carried over for a period not to exceed three years. A copy of a paid invoice itemizing the cost of the equipment and installation must be furnished; including, if applicable, the type of fuel to which the vehicle has been converted.

Where husband and wife file separate returns for a taxable year in which they could have filed a joint return, only one-half of the credit which would be allowed on a joint return may be claimed by each.

NOTE: Only a conversion to those fuels listed above qualify for this credit. The conversion of a vehicle to be propelled by any other fuel, such as to ethanol or E-85, does not qualify.

4 Small Business Capital Credit

There shall be allowed a credit equal to 20% of the cash invested in, or in conjunction with, a qualified Small Business Capital Company. Any credit allowed but not used will have a three year carryover provision. Enclose Form 527-A. Title 68 O.S. Section 2357.60 - 2357.65 and Rule 710:50-15-86.

5 Oklahoma Agricultural Producers Credit

Oklahoma agricultural producers who invest in Oklahoma producer-owned agricultural processing cooperatives, ventures or marketing associations are entitled to the Oklahoma agricultural credit. Any credit allowed but not used will have a six year carryover provision. Enclose Form 520. Title 68 O.S. Section 2357.25 and Rule 710:50-15-85.

6 Small Business Guaranty Fee Credit

Every small business operating within this state shall be entitled to claim as a credit any amount paid to the U.S. Small Business Administration (SBA) as a guaranty fee pursuant to the obtaining of financing guaranteed by the Small Business Administration. Any credit allowed but not used will have a five year carryover provision. Enclose Form 529. Title 68 O.S. Section 2357.30.

Any financial institutions, subject to the "in lieu" tax, shall be entitled to claim as a credit the amount of the guaranty fees the financial institution pays to the SBA under certain SBA loan programs. Enclose Form 529. Title 68 O.S. Section 2370.1.

7 Credit for Food Service Establishments that Pay for Hepatitis A Vaccination for their Employees

This credit is for food service establishments, licensed pursuant to the provisions of Title 63 O.S. Section 1-1118, that pay for Hepatitis A vaccinations for their employees who work in such establishments. The credit is the cost of the vaccinations, but cannot exceed the usual and customary fee that would be allowed by the State and Education Employees Group Insurance Board. The credit is available in the tax year in which the employee was immunized and shall not be refunded or carried forward to subsequent years. Enclose a schedule showing the names and social security number of each employee immunized and the cost of the immunization. Title 68 O.S. Section 2357.33.

8 Credit for Energy Assistance Fund Contribution

Any person contributing monies to the Oklahoma Energy Conservation Assistance Fund is entitled to a nonrefundable income tax credit of 50% of the amount contributed. This credit may not be carried forward or back. A copy of your cancelled check or receipt must be enclosed with your return. Title 68 O.S. Section 2357.6.

9 Credit for Venture Capital Investment

No investor in a Venture Capital Company organized after July 1, 1992, may claim the tax credits under the provisions of this section. Any credit allowed but not used will have a three year carryover provision. Title 68 O.S. Section 2357.7 and 8 and Rule 710:50-15-77 and 78.

10 Credit for Hazardous Waste Control

Any person engaged in recycling, reuse or source reduction of any hazardous waste, the process of which is certified by the Oklahoma Department of Environmental Quality (DEQ), shall be entitled to a one-time credit limited to 20% of amount certified or actual cost, whichever is less. A verification certificate from DEQ must be enclosed. Title 27A O.S. Section 2-11-303 and Rule 710:50-15-75.

11 Credit for Qualified Recycling Facility

A credit, for an investment in a qualified recycling facility, that was established in a prior year but not used due to the limitations provided may be carried over. The unused credit may be carried over for a period not to exceed 14 years. Title 68 O.S. 2357.59 and Rule 710:50-15-84.

12 Credit for Employers Providing Child Care Programs

Employers providing Oklahoma child care services for the children of their employees will be allowed a credit. The credit will be 20% of the amount of eligible expenses and the eligible expenses must be added back to arrive at Oklahoma taxable income. Any credit allowed but not used will have a four year carryover provision. Enclose a schedule of eligible expenses and the computation of the credit. Title 68 O.S. Section 2357.26 and Rule 710:50-15-91.

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13 Credit for Entities in the Business of Providing Child Care Services

Entities primarily engaged in the business of providing child care services will be allowed a 20% credit for eligible expenses. Eligible expenses are amounts incurred to comply with the standards promulgated by a national accrediting association recognized by the Department of Human Services and which would not have been incurred to comply with the Oklahoma Child Care Facilities Licensing Act. The credit will not be allowed for any amounts for which the entity claims or receives an income tax credit, exemption or deduction. Any credit allowed but not used will have a four year carryover provision. Title 68 O.S. Section 2357.27.

14 Credit for Commercial Space Industries

There shall be allowed a credit for investments in qualifying projects, the purpose of which is to encourage the development of commercial space industries in this state. The credit shall be 5% of the eligible capital costs generated by a qualifying project. In order to qualify for the credit an application shall first be made to the Oklahoma Tax Commission. Any credit allowed but not used will have a four year carryover provision following the year of qualification subject to limitations. Title 68 O.S. Section 2357.13.

15 Credit for Nonstop Air Service from Oklahoma to the Coast

A credit for nonstop air service from Oklahoma to the coast that was established in a prior year but not used due to the limitations provided may be carried over or transferred. The unused credit may be carried over or transferred for a period not to exceed three years from the date the credit was originally allowed. Title 68 O.S. Section 2357.28.

16 Credit for Tourism Development or Film or Music Production Facility

Enclose the income tax credit memorandum granting the credit which was issued by the Tax Commission. Any credit allowed but not used will have a 10 year carryover provision. Title 68 O.S. Section 2357.34-2357.40.

17 Oklahoma Local Development and Enterprise Zone Incentive Leverage Act Credit

There shall be allowed a credit in conjunction with the "Oklahoma Local Development and Enterprise Zone Incentive Leverage Act" created under Title 62 O.S. Sections 840-847. The credit will equal 100% of the amount of ad valorem taxes exempted pursuant to the provisions of such act. Any credit allowed but not used will have a 10 year carryover provision. Title 68 O.S. Section 2357.81.

18 Credit for Qualified Rehabilitation Expenditures

Provides for a credit for qualified rehabilitation expenditures incurred with any certified historic structure as defined in Section 2357.41. The credit is to be equal to the amount of the Federal rehabilitation investment credit allowed under the Internal Revenue Code, Section 47. Any credit allowed but not used will have a 10 year carryover provision following the qualified expenditures. The credit may be freely transferred, at any time during the five years following the year of qualification, to any taxpayer upon the filing of the transfer agreement, Form 572. Title 68 O.S. Section 2357.41 and Rule 710:50-15-108.

19 Credit for Space Transportation Vehicle Provider

There shall be allowed a credit to an eligible investor in a qualified space transportation vehicle provider. A space transportation vehicle is a vehicle whose purpose is operating in, or transporting a payload to, from, or within, outer space or in suborbital trajectory. A qualified provider will receive certification from the Oklahoma Tax Commission. The investor will attach a copy of the certification to their return, as proof for the credit. Any credit allowed but not used will have a carryover provision for a period not to exceed three years from the year in which such credit was originally allowed. The credit may be freely transferred, at any time during the five years following the year of qualification, to any taxpayer upon the filing of the transfer agreement, Form 572. Title 68 O.S. Section 2357.42 and Rule 710:50-15-93.

20 Rural Small Business Capital Credit

Provides for income tax credits for investments in Rural Small Business Capital Companies which in turn invest in rural business ventures; and also for investments made in conjunction with investments made by Rural Small Business Capital Companies. Any credit allowed but not used will have a three year carryover provision. Enclose Form 526-A. Title 68 O.S. Section 2357.71-2357.76 and Rule 710:50-15-87.

21 Credit for Electricity Generated by Zero-Emission Facilities

A credit shall be allowed for the production and sale, to an unrelated person, of electricity generated by zero-emission facilities located in this state. For facilities placed in operation before January 1, 2007, the credit for electricity generated is \$0.0025 per kilowatt-hour. For facilities placed in operation on or after January 1, 2007, the credit for the electricity generated is \$0.0050 per kilowatt-hour. Any credit allowed but not used will have a 10 year carryover provision. The credit may be freely transferable, at any time during the 10 years following the year of qualification, to any taxpayer upon filing of the transfer agreement, Form 572. Enclose a schedule showing the number of kilowatt-hours of electricity generated during each month of the taxable year and the calculation of the credit. Note: This credit, upon election of the taxpayer, may be claimed as a payment or prepayment of tax or as an estimated tax payment on or after July 1 of the calendar year following the year of qualification. If this election is made, the credit should be claimed on this line of Form 511CR. Title 68 O.S. Section 2357.32A.

22 Credit for Financial Institutions Making Loans Under the Rural Economic Development Loan Act

Oklahoma financial institutions shall be allowed a credit against the bank in lieu tax in an amount equal to the taxable income received pursuant to a loan made under the "Rural Economic Development Loan Act" Title 62 O.S. Sections 90.1 through 90.9. The credit is limited each year to 5% of the amount of annual payroll directly attributable to new jobs that are created as a result of the loan made under the act. The Rural Economic Development Loan Program Review Board certifies payroll eligible for the credit. The credit may be claimed for any number of years necessary until the total amount of credits claimed is equal to the total amount of taxable income received. Any credit allowed but not used will have a five year carryover provision. Title 68 O.S. Section 2370.1.

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23 Credit for Manufacturers of Small Wind Turbines

A credit shall be allowed for Oklahoma manufacturers of advanced small wind turbine products, including rotor blade and alternator fabrication. The credit is \$25 per square foot of rotor swept area of advanced small wind turbines manufactured in this state. Any credit allowed but not used will have a 10 year carryover provision. The credit may be freely transferable, at any time during the 10 years following the year of qualification, to any taxpayer upon the filing of the transfer agreement, Form 572. Enclose a schedule showing the square footage of rotor swept area produced each month of the taxable year and the calculation of the credit. Note: This credit, upon election of the taxpayer, may be claimed as a payment or prepayment of tax or as an estimated tax payment on or after July 1 of the calendar year following the year of qualification. If this election is made, the credit should be claimed on this line of Form 511CR. Title 68 O.S. Section 2357.32B and Rule 710:50-15-92.

24 Credit for Qualified Ethanol Facilities

Establishes an income tax credit for new qualified ethanol facilities in this state, the construction of which must be completed after July 1, 2003. The facility must be in production at a rate of at least 25% of its capacity by December 31, 2010. The credit is 20-cents per-gallon of ethanol produced and is allowed for up to 60 months.

An additional credit of 20-cents per-gallon of ethanol produced in excess of its original capacity as a result of an expansion completed after July 1, 2003 but before December 31, 2008 will be allowed. The credit will be allowed for up to 60 months beginning with the first month for which production from the expanded facility is eligible to receive such tax credit and ending not later than December 31, 2012. Title 68 O.S. Section 2357.66 and Rule 710:50-15-106.

25 Poultry Litter Credit

A credit of \$5 per ton shall be allowed for the purchase and transportation of poultry litter. To qualify for the credit the poultry litter must be purchased from an Oklahoma-based poultry operation registered with the State Board of Agriculture and located within an environmentally sensitive and nutrient-limited watershed area; used or spread in a watershed that is not environmentally sensitive and nutrient-limited and applied by a certified poultry waste applicator. Any credit allowed but not used will have a five year carryover provision. Title 68 O.S. Section 2357.100 and Rule 710:50-15-95.

26 Volunteer Firefighter Credit

For taxpayers who qualify for the \$200 Oklahoma Volunteer Firefighter Tax Credit, the completed and signed Oklahoma State Firefighter Association's form, Form 1A, must be enclosed as supporting documentation. For taxpayers who qualify for the \$400 Oklahoma Volunteer Firefighter Tax Credit, the completed and signed Oklahoma State Firefighter Association's form, Form 1B, must be enclosed as supporting documentation. Section 2 of either form must have all of the necessary signatures. For further explanations, questions or to obtain a form contact the Oklahoma State Firefighter Association at 1-800-308-5336 or (405) 424-1452 or visit their website at: www.osfa.info. Title 68 O.S. Section 2358.7 and Rule 710:50-15-94.

27 Credit for Qualified Biodiesel Facilities

Establishes an income tax credit for new qualified biodiesel facilities in Oklahoma, the construction of which must be completed after July 1, 2005. The facility must be in production at a rate of at least 25% of its capacity by December 31, 2008. The credit is 20-cents per-gallon of biodiesel produced and is allowed for 60 months.

An additional credit of 20-cents per-gallon of biodiesel produced in excess of its original capacity as a result of an expansion completed after July 1, 2005 but before December 31, 2008 will be allowed. The credit will be allowed for 60 months beginning with the first month for which production from the expanded facility is eligible to receive such tax credit and ending not later than December 31, 2012. Title 68 O.S. Section 2357.67 and Rule 710:50-15-98.

28 Film or Music Project Credit

Establishes an income tax credit equal to 25% of the amount of profit made from an investment with a production company to pay for production costs in an existing Oklahoma film or music project produced after July 1, 2005. In order to claim the credit, the taxpayer must reinvest the profit with the production company, to pay for the production cost of a new Oklahoma film or music project. Enclose Form 562. Title 68 O.S. Section 2357.101 and Rule 710:50-15-101.

29 Credit for Breeders of Specially Trained Canines

Establishes a credit equal to 50% of the qualified direct costs associated with the operation of a business which the principal purpose is the rearing of specially trained canines. "Specially trained canines" means dogs that are raised by a person who is officially licensed as a dog breeder by the U.S. Department of Agriculture (USDA). "Qualified direct costs" means expenditures, other than nonqualified operating expenditures, to construct dog kennels, fences, pens, training areas for canines, structures for office space or other improvements to real property necessary for the proper training of a specially trained canine, including the cost of food, water, veterinary expenses and other costs directly related to the operation of the training facility. "Nonqualified operating expenditures" means labor costs, salary and other compensation, whether direct or indirect, paid to directors, officers, limited liability company members, limited liability company managers, partners or other principals or employees of the business. Any credit allowed but not used will have a five year carryover provision. Enclose a copy of your certificate and acknowledgement letter issued by the USDA and a schedule of the qualified direct costs upon which the credit was based. Title 68 O.S. Section 2357.203 and Rule 710:50-15-97.

30 Credit for Wages Paid to an Injured Employee

Establishes a credit for eligible wages paid by an employer to an employee who is injured as a result of an injury which is compensable under the Workers' Compensation Act. The credit is 10% of the amount of the gross wages paid to the employee beginning when the employee returns to work with restricted duties as provided by the employee's treating physician or an independent medical examiner

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before the employee has reached maximum medical improvement, and ending after 90 days or when the employee has reached maximum medical improvement if earlier. In no event shall the credit exceed \$5,000 for each employee of each taxpayer and the total credit claimed shall not exceed \$25,000 in any one year for any taxpayer. Enclose a schedule showing the computation of the credit; include employee name, social security number, eligible wages paid, and the number of days for which the eligible wages were paid. Title 68 O.S. Section 2357.47 and Rule 710:50-15-107.

31 Credit for Modification Expenses Paid for an Injured Employee

Establishes a credit for eligible modification expenses incurred by an employer to modify a workplace, tools or equipment or to obtain new tools or equipment and which are incurred by an employer solely to enable a specific employee who has incurred an injury that is compensable under the Workers' Compensation Act to return to work with restricted duties as provided by the employee's treating physician or an independent medical examiner before the employee has reached maximum medical improvement, and which workplace, tools or equipment are used primarily by the injured employee. The credit is 50% of the amount of funds expended for eligible modification expenses. In no event shall the credit exceed \$1,000 for eligible modification expenses incurred for any single employee and the total credit claimed shall not exceed \$10,000 in any year for any taxpayer. Enclose a schedule showing the computation of the credit; include employee name and social security number and the eligible modification expenses for such employee. Title 68 O.S. Section 2357.47 and Rule 710:50-15-107.

32 Dry Fire Hydrant Credit

Establishes a credit for the cost of the purchase of a dry fire hydrant or the cost to provide an acceptable means of water storage for such dry fire hydrant including a pond, tank, or other storage facility with the primary purpose of fire protection within Oklahoma. The credit is 50% of the purchase price of the dry fire hydrant or the actual expenditure for any new water storage construction, equipment, development and installation of the dry hydrant, including pipes, valves, hydrants, and labor for each installation of a dry hydrant or new water storage facility but in no event shall the amount of the credit exceed \$5,000 for each taxpayer. In order to qualify for the tax credit, the dry fire hydrant or new water storage facility must meet minimum requirements. Any credit allowed but not used will have a four year carryover provision. Enclose either an invoice for the purchase price or a schedule of actual expenditures upon which the credit was based. Title 68 O.S. Section 2357.102 and Rule 710:50-15-99.

33 Credit for the Construction of Energy Efficient Homes

Establishes a credit equal to the eligible expenses incurred by a contractor in the construction of energy efficient residential property of 2,000 square feet or less located in Oklahoma and which has been certified by a Residential Energy Services Network provider. "Eligible expenses" means any energy efficient heating or cooling system; insulation material or system designed to reduce the heat gain or loss; exterior windows, including skylights; exterior doors; and Energy Star program metal roof. In no event shall the credit exceed \$4,000 for residential property certified at 40% or more above the 2003 International Energy Conservation Code (IECC), including any supplement, or exceed \$2,000 for residential property certified at between 20% and 39% of the 2003 IECC, including any supplement. The contractor shall not be allowed a credit for residential property certified at less than 20% of the 2003 IECC, including supplements. Any credit allowed but not used will have a four year carryover provision. The credit may be freely transferable to any taxpayer upon the filing of the transfer agreement, Form 572. For each home, enclose proof of the energy rating, such as a copy of the Energy Star Certification sticker or the Energy Star Certificate. You must be able to document the type and amount of expenses upon which the credit was based upon request. Title 68 O.S. Section 2357.46 and Rule 710:50-15-104.

34 Credit for Railroad Modernization

Establishes a credit equal to 50% of a Class II or Class III railroad's qualified railroad reconstruction or replacement expenditures. In no event shall the credit exceed the product of \$500 and the number of miles of railroad track owned or leased within Oklahoma as of the close of the taxable year. "Qualified railroad reconstruction or replacement expenditures" means expenditures for 1) reconstruction or replacement of railroad infrastructure including track, roadbed, bridges, industrial leads and track-related structures or 2) new construction of industrial leads, switches, spurs and sidings and extensions of existing sidings. Any credit allowed but not used will have a five year carryover provision. The credit is freely transferable to any taxpayer and at any time during the five years following the year of qualification upon the filing of the transfer agreement, Form 572. Enclose the "Affidavit" from the Department of Transportation. Title 68 O.S. Section 2357.104 and Rule 710:50-15-103.

35 Research and Development New Jobs Credit

Employers, primarily engaged in computer services, data processing or research and development, may qualify for the Research and Development New Jobs Credit. The credit is \$500 per employee and is computed on the average number of new qualified employees whose salaries or wages are at least \$35,000 and are subject to Oklahoma income tax withholding. The credit, once established, is also allowed in each of the eight subsequent years if the level of new employees is maintained. Any credit allowed but not used may be carried over in order to each of the four years following the year of qualification and to the extent not used on those years in order to each of the following five years. Enclose Form 563. Title 68 O.S. Section 54006 and Rule 710:50-15-105.

36 Credit for Stafford Loan Origination Fee *(available for banks and credit unions filing Form 512)*

Oklahoma banks and credit unions paying the origination fee to the U.S. Department of Education pursuant to the "Stafford" loan program for an Oklahoma resident will be allowed a credit against the bank in lieu tax. The credit is the amount of origination fee paid on or after July 1, 2007 by such bank or credit union; however, no credit will be allowed if the bank or credit union, in any way, recovers the origination fee from the borrower. Any credit allowed but not used will have a five year carryover provision. Title 68 O.S. Section 2370.3.

37 Other Oklahoma Credits

All other credits not listed on this form or on the tax return should be entered on this line. Specify type of credit and Oklahoma Statute authorizing the credit. Schedules must be enclosed.