

OTHER CREDITS FORM

FORM **511CR**

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

Name as shown on return:

Social Security Number:
F.E.I. Number:

See instructions for details on qualification and required enclosures.

Table with 25 rows listing various tax credits (e.g., Oklahoma Investment/New Jobs Credit, Coal Credit, Credit for Conversion of Motor Vehicles to Clean Burning Fuel) and their corresponding amounts, all currently set to 00.

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.

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. 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. Enclose Form 506. Title 68 O.S. Section 2357.4 and Rule 710:50-15-74.

2 Coal Credit

A coal credit is available 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 to such businesses which purchase at least 750,000 tons of Oklahoma-mined coal in the tax year.

A coal credit is also available to businesses primarily engaged in mining, producing or extracting coal in this state, so long as the average price for coal mined, produced or extracted, in any month for which credits are claimed, is less than \$45.00 per ton. Such businesses must hold a valid permit issued by the Oklahoma Department of Mines. An additional credit is allowed to such businesses which mine, produce or extract coal from thin seams, provided such coal has not been sold to any consumer who purchases at least 750,000 tons of Oklahoma mined coal in the tax year and so long as the average price for coal mined, produced or extracted, in any month for which credits are claimed, is less than \$45.00 per ton.

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 and at any time subsequent to January 1, 2002, during the five years following the year of qualification upon the filing of the transfer agreement, Form 572. Note: This credit, upon election of the taxpayer, may be claimed as a payment or prepayment of tax. If this election is made, the credit should be claimed on the estimated tax line of the tax return. Title 68 O.S. Section 2357.11 and Rule 710:50-15-76.

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 when the credit is claimed on Form 511CR.

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.

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 10 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.

OTHER CREDITS INFORMATION

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 § 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 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.

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

There shall be allowed a credit for an eligible investment in an establishment providing nonstop air transportation from this state to either the west coast or the east coast of the United States, or both. 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 to any taxpayer upon the filing of the transfer agreement, Form 572. In order to qualify for the credit an application shall first be made to the Oklahoma Tax Commission. Title 68 O.S. Section 2357.28.

16 Credit for Tourism Development

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.

OTHER CREDITS INFORMATION

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 Incurred with any Certified Historical Hotel or Historical Newspaper Plant Building

Provides for a credit for qualified rehabilitation expenditures incurred with any certified historic hotel or historic newspaper plant building located in an increment or incentive district pursuant to the Local Development Act. 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.

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.

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 10 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 electricity generated during calendar year 2003, the credit is \$0.0075 per kilowatt-hour and for electricity generated during calendar year 2004, the credit 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. 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 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.

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 amount of the credit shall be based on the square footage of rotor swept area of advanced small wind turbines manufactured in this state. The credit is \$25.00 per square foot produced in calendar year 2003 and \$12.50 per square foot produced in calendar year 2004. 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. Title 68 O.S. Section 2357.32B and Rule 710:50-15-92.

24 Other Oklahoma Credits

All other credits not listed on this form or on the tax return should be entered on this line. Schedules must be enclosed.