



State of Oklahoma

OKLAHOMA AGRICULTURAL PRODUCER CREDIT

For Oklahoma agricultural producers who invest in Oklahoma agricultural processing or marketing ventures. 68 O.S. Section 2357.25 and Rule 710:50-15-85.

FORM 520 2008

Form sections for investor information, agricultural commodities, and association details.

CREDIT COMPUTATION

Table with 5 rows for credit computation: Total Amount of Direct Investment, Rate (30%), Total Credit Allowable, Amount of Credit Used in 2008, and Amount of Unused Credit.

Credit Carryover - The credit not used may be carried over, in order, to each of the six (6) years following the year in which the investment was originally made.

Table with 7 columns (TAX YEAR 2009-2014) and 4 rows (Unused Credit from Previous Year, Amount of Credit Used, Unused Credit Available for Carryover).

DISPOSITION OF INVESTMENT

For the taxable year during which the investment, or any portion thereof is sold or otherwise disposed of, the amount of the credit allowed in prior years or being allowed in the current year shall be added to Federal Adjusted Gross Income to arrive at Oklahoma Adjusted Gross Income.

Table with 8 rows for disposition of investment and a sub-table for Dollar Amount with 8 rows.

FORM 520 - AGRICULTURAL CREDIT - 68 O.S. SECTION 2357.25 AND RULE 710:50-15-85

There shall be allowed a credit for direct investments by Oklahoma agricultural producers in Oklahoma producer-owned agricultural processing cooperatives, ventures or marketing associations or Oklahoma owned and based corporations and partnerships created and designed to develop and advance the production, processing, handling and marketing of agricultural commodities grown, made or manufactured in Oklahoma. The credit shall be thirty percent (30%) of the amount of the investment. If the credit allowed exceeds the tax liability, the amount of unused credit may be carried forward for a period not to exceed six (6) years.

The credit shall not be available or taken for any calendar year during which the claimant of the credit received any incentive payments pursuant to the Oklahoma Quality Jobs Program Act or the Saving Quality Jobs Act.

DEFINITIONS:

“Oklahoma agricultural producer” means any person who produces agricultural commodities in Oklahoma.

“Direct investment” means the payment of money in or the transfer of any form of economic value, whether tangible or intangible, other than money to an Oklahoma producer-owned agricultural processing cooperative, venture or marketing association.

“Agricultural commodities” means a farm or ranch product, including but not limited to, wheat, corn, soybeans, cotton, timber, cattle, hogs, sheep, horses, poultry, animals of the families bovidae, cervidae and antilocapridae or birds of the ratite group produced in farming or ranching operations or a product of such crop or livestock in its unmanufactured state such as ginned cotton, wooldip, maple syrup, milk and eggs, or any other commodity listed under any Industry Group Number under Major Group 20 of Division D of the Standard Industrial Classification (SIC) Manual.

“Oklahoma producer-owned agricultural processing cooperative” means a legal entity, in the nature of a partnership or business, undertaking agricultural transactions or agricultural commercial enterprises for mutual profit. The entity must be controlled by the Oklahoma agricultural producers and a community of interest in the performance of the undertaking, transaction or enterprise; a right to direct and govern the policy in connection therewith; and the duty, which may be altered by agreement, to share both in profit and losses are required. The term does not include a cooperative that provides only, and nothing more than, storage, cleaning, or transportation of agricultural commodities.

“Oklahoma producer-owned agricultural processing venture” means a legal entity, in the nature of a corporation or company, organized to invest in or operate an agricultural commodity processing facility. The facility must be operated primarily for the processing or production of marketable products from agricultural commodities. The term shall include a dairy operation that requires a depreciable investment of at least two hundred fifty thousand dollars (\$250,000) and which produces milk from dairy cows. The term does not include a venture that provides only, and nothing more than, storage, cleaning, or transportation of agricultural commodities.

“Oklahoma producer-owned agricultural processing marketing association” means:

- a. a legal entity organized to jointly market agricultural commodities and/or natural-resource-based recreational activities, facilitate the marketing process and to promote and stimulate the processing, sales, and marketing of agricultural commodities, or
- b. a legal entity organized for collective marketing and improvement of land for natural-resource-based recreational activity.

The term does not include a marketing association that provides only, and nothing more than, storage, cleaning, or transportation of agricultural commodities.

“Oklahoma-based corporation or partnership” means either a corporate entity or an entity with limited liability or a partnership having either its principal place of business in Oklahoma or substantial assets located in Oklahoma. The term does not include an Oklahoma-based corporation or partnership that engages only in and nothing more than the storage, cleaning, and transportation or production of its commodity.

“Dairy operation” means and includes equipment and facilities to store and prepare feed, dairy cows, milking parlors, bulk cooling tanks, buildings, and all such depreciable investment commonly utilized in the dairy industry.