



State of Oklahoma  
**SMALL BUSINESS GUARANTY FEE CREDIT**

FORM **529** 2007

Before you begin, please read the information on reverse side carefully.

Name as shown on return	Social Security Number	<b>Type of Small Business (check one)</b> <i>Note: not applicable for banks or credit unions</i> <input type="checkbox"/> <b>Sole Proprietorship</b> <input type="checkbox"/> <b>Partnership</b> <input type="checkbox"/> <b>S Corporation</b> <input type="checkbox"/> <b>Corporation</b> <input type="checkbox"/> <b>Fiduciary</b>
	Federal ID Number (FIN)	
Name of Small Business (if different from above) <i>Note: not applicable for banks or credit unions</i>	FEIN of Small Business (if different from above) <i>Note: not applicable for banks or credit unions</i>	

**INSTRUCTIONS**

- Important:** Enclose the first page of the Authorization received from SBA or some other proof of the guaranty fee.
- Line 1: Enter the guaranty fee paid during this tax year. If you are a partner or a shareholder, enter your pro rata share of the guaranty fee paid by the partnership or corporation.  
**Banks and credit unions:** Attach a separate schedule showing the name, FIN, and type of each small business. For each small business, include the amount of guaranty fee paid and the date paid.
- Lines 2 - 6: These lines are used to determine the credit limitation.
- Line 7: This is the amount of the credit allowed this year. If the credit available on line 1 exceeds the amount allowed on line 7, the difference may be carried over for a period not to exceed 5 years from the date the credit was established. You will need to complete a Form 529 for each carryover year.

**COMPUTATION**

1. Loan guaranty fee paid during tax year 2007 or unused carryover from tax year _____			00
2. Net income from the small business or Oklahoma taxable income for banks and credit unions		00	
3. Oklahoma adjusted gross income for individuals or Oklahoma taxable income for corporations and fiduciaries		00	
4. Percentage (Line 2 ÷ Line 3)		%	
5. Tax per return		00	
6. Credit limitation (Line 5 X Line 4)			
7. Credit allowed this year - enter the smaller of Line 1 or Line 6 (carry to Form 511CR)			00

# **SBA GUARANTY FEE CREDIT**

## **CREDIT AVAILABLE FOR SMALL BUSINESS**

Title 68 O.S. Section 2357.30

As used in this section, “small business” means any corporation, partnership, sole proprietorship or other business entity qualifying as “small” under the standards contained in Section 121 of Title 13 of the Code of Federal Regulations.

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 as a guaranty fee pursuant to the obtaining of financing guaranteed by the Small Business Administration. The credit shall be claimable only by the small business which is the primary obligor in the financing transaction and which actually paid the guaranty fee.

The credit shall only be claimed against the tax liability resulting from income generated by the small business. If an income tax return upon which this credit is claimed includes taxable income from sources other than the small business, the credit shall only be allowed to be claimed upon a percentage of the income tax liability which does not exceed the percentage of income generated by the small business as compared to the total Oklahoma adjusted gross income for individuals or Oklahoma taxable income for corporations and fiduciaries.

If the credit exceeds the amount of income taxes due or if there are no state income taxes due on the income of the taxpayer, the amount of the credit not used may be carried forward as a credit against subsequent income tax liability for a period not to exceed five (5) years.

## **CREDIT AVAILABLE FOR BANKS AND CREDIT UNIONS**

Title 68 O.S. Section 2370.1

There shall be a credit against the tax imposed by Section 2370 of Title 68 of the Oklahoma Statutes for any state banking association, national banking association and credit union organized under the laws of this state for the amount of the guaranty fee paid by the banking association or credit union to the United States Small Business Administration pursuant to the “7(a)” loan guaranty program.

No credit may be claimed pursuant to this section if, pursuant to the agreement between the banking association or credit union and the entity to which proceeds are made available, the banking association or credit union adds the amount of the SBA 7(a) loan guaranty fee to the amount financed by the borrower or in any other way recovers the guaranty fee from the borrower.

If the credit exceeds the amount of income taxes due or if there are no state income taxes due on the income of the taxpayer, the amount of the credit not used may be carried forward as a credit against subsequent income tax liability for a period not to exceed five (5) years.