State of Oklahoma

Small Business Guaranty Fee Credit

FORM 529 2014

Before you begin, read the information on Page 2 carefully.

Name as shown on return	Social Security Number	Type of Small Business **(check one)** *Note: not applicable for banks or credit unions*
	Federal Employer Identification Number	☐ **Sole Proprietorship** ☐ **Partnership**
Name of Small Business (if different from above) *Note: not applicable for banks or credit unions*	FEIN of Small Business (if different from above) *Note: not applicable for banks or credit unions*	☐ **S Corporation** ☐ **Corporation** ☐ **Fiduciary**

Instructions

Important: **Enclose the first page of the Authorization received from SBA or some other proof of the guaranty fee.**

Line 1:
- Banks or credit unions paying loan guaranty fee(s) during tax year 2014: Enter the guaranty fee(s) paid during the tax year. Attach a separate schedule showing the name, FEIN, and type of each small business. For each small business, include the amount of guaranty fee paid and the date paid.
- Unused carryover credit: A Small Business Guaranty Fee Credit that was established in a prior year but not used due to the limitations provided may be carried over. Enter amount of the unused carry-over and the tax year(s) originally established. Enclose a copy of the Form 529 for the year the credit was originally established and for all subsequent years.

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 the carryover year(s).

Computation

1. Loan guaranty fee paid during tax year 2014 which is eligible for the credit and unused carryover from tax year(s): _____		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) (cannot exceed 100%).....	%	
5. Tax per return.....	00	
6. Credit limitation (line 5 X line 4)		00
7. Credit allowed this year - enter the smaller of line 1 or line 6 (carry to Form 511CR).....		00

The Oklahoma Tax Commission is not required to give actual notice to taxpayer of changes in any state tax law.

Small Business Guaranty Fee Credit

Credit Available for Banks and Credit Unions

68 OS Sec. 2370.1

There shall be a credit against the tax imposed by 68 OS Sec. 2370 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 (SBA) 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 years.

A bank or credit union making a Federal Subchapter "S" election is not subject to the "in lieu" tax and therefore not eligible for this credit.

Credit Available for Small Business

68 Oklahoma Statutes (OS) Sec. 2357.30

A Small Business Guaranty Fee Credit that was established by a small business 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 five years.

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.

Notice

Tax credits transferred or allocated must be reported on Oklahoma Tax Commission (OTC) Form 569. Failure to file Form 569 will result in the affected credits being denied by the OTC pursuant to 68 OS Sec. 2357.1A-2.