

State of Oklahoma



TRANSFER AGREEMENT FOR INCOME TAX, RURAL ELECTRIC COOPERATIVES TAX, OR INSURANCE PREMIUM TAX CREDIT

FORM 572 Revised 2011

(See a list of transferable credits, the statutory reference and information on the Tax Credit Moratorium on pages 2 and 3)

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the transferor identified below, for good and valuable consideration, hereby sells, conveys and transfers to the transferee, also identified below, \$ \_\_\_\_\_ of certain tax credits, ("credits") earned under the applicable Oklahoma Statute (OS). The transferred credits were originally allowed to the transferor in the tax year(s) of \_\_\_\_\_ (allowed year[s]). Enter the tax year(s) for which the credit may be claimed \_\_\_\_\_. Enclose a copy of the original Oklahoma Tax Commission (OTC) acknowledgment of credits issued to the transferor. If the current transferor obtained the credits by prior transfer, also enclose a copy of the prior transfer agreement.

CREDIT
Type of Credit \_\_\_\_\_

TRANSFEROR
Name \_\_\_\_\_
Address \_\_\_\_\_
Federal Employer Identification Number or Social Security Number \_\_\_\_\_

TRANSFEEE
Name \_\_\_\_\_
Address \_\_\_\_\_
Federal Employer Identification Number or Social Security Number \_\_\_\_\_

The transferor hereby represents that it has neither claimed for its own behalf nor conveyed to any other transferee the credits transferred by this agreement.

The parties agree that the transferor, on behalf of both parties, shall file a copy of this jointly executed agreement within 30 days of the date of transfer with the OTC. The transferee also agrees that it shall file a copy of this agreement with the income tax return, rural electric cooperatives tax return or insurance premium tax return on which it claims the transferred credits or if it subsequently transfers the credits, that it will execute and file a similar agreement.

Effective on the date stated above, the transferor and transferee agree to the transfer of the credits as described above.

Transferor... Transferee...
By \_\_\_\_\_ By \_\_\_\_\_
Company \_\_\_\_\_ Company \_\_\_\_\_

Certificate of Mailing...
A copy of the agreement was filed by first class U. S. Mail on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, with proper postage thereon fully prepaid to the following:

Oklahoma Tax Commission
Compliance Division: Corporate Income Tax
Attention: Tax Credit Transfer Agreement
P.O. Box 269054, Oklahoma City, OK 73126-9054

Signature \_\_\_\_\_

# Transferable Credits for Income Tax, Rural Electric Cooperatives Tax, or Insurance Premium Tax

## Notice

**Effective July 1, 2011**

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

### **Tax Credit Moratorium**

Many Oklahoma credits available against corporate and individual income taxes are subject to a moratorium.

The Coal Credit, the Credit for Manufacturers of Small Wind Turbines, the Credit for the Construction of Energy Efficient Homes and the Credit for Railroad Modernization are subject to a two-year moratorium from July 1, 2010 through June 30, 2012. These credits can not be established during the moratorium.

The Credit for Qualified Rehabilitation Expenditures is also subject to the two-year moratorium from July 1, 2010 through June 30, 2012; however, credits can be established during the moratorium. Any credit established during this period will accrue and may not be claimed until tax year 2012.

The Credit for Electricity Generated by Zero-Emission Facilities is subject to a one-year moratorium from July 1, 2010 through June 30, 2011. Credits can be established during the moratorium; however, any credits established will accrue and may not be claimed until tax year 2012.

**Note:** Credits established before July 1, 2010 are eligible to be transferred under normal transfer provisions.

**The following is a list of the credits that are transferable along with the statutory reference.**

### **Coal Credit**

*68 OS Sec. 2357.11 and Rule 710:50-15-76*

For tax years beginning on or after January 1, 1993 and ending on or before December 31, 2012, 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. For the period of July 1, 2006 through December 31, 2006 and for tax years beginning on or after January 1, 2007 and ending on or before December 31, 2012, 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(C) provides, for tax years beginning on or after January 1, 1995 and ending on or before December 31, 2005 and for the period of January 1, 2006 through June 30, 2006, an additional credit to those businesses referred to in Section 2357.11(B) which purchased at least 750,000 tons of Oklahoma-mined coal in the tax year.

For tax years beginning on or after January 1, 2001, 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. Section 2357.11(E) provides, for tax years beginning on or after January 1, 2001 and ending on or before December 31, 2005 and for the period of January 1, 2006 through June 30, 2006, an additional credit to such businesses that 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. Section 2357.11(F) provides, for the period July 1, 2005 through June 30, 2006, an additional credit to such businesses that mine, produce or extract coal from thin seams. None of the credits, 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 \$45 (for months through June 30, 2006) or \$68 (for months beginning July 1, 2006) 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 credits allowed pursuant to Sections 2357.11 (B), (C), (D), and (E) are freely transferable to any taxpayer and at any time, subsequent to January 1, 2002, during the five years following the year of qualification provided the additional credit allowed pursuant to Section 2357.11(B) is freely transferable at any time, after January 1, 2008, during the five years following the year of qualification. The credit allowed pursuant to Section 2357.11 (F) is freely transferable to any taxpayer and at any time subsequent to July 1, 2006, during the five years following the year of qualification. Enclose, with the Form 572, a Tax Commission acknowledgment of credits earned. Note: This credit, upon 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 Form 511CR, line 2.

# Transferable Credits for Income Tax, Rural Electric Cooperatives Tax, or Insurance Premium Tax

(continued)

## **Credit for Space Transportation Vehicle Provider**

*68 OS Sec. 2357.42 and Rule 710:50-15-93*

For tax years beginning after December 31, 2000 and ending before January 1, 2009, a credit is available for an eligible investment in a qualified space transportation vehicle provider. The credit is freely transferable after the date it becomes redeemable. Any unused credit may be carried over for a period not to exceed three years from the year in which the credit is originally allowed.

## **Credit for Qualified Rehabilitation Expenditures**

*68 OS Sec. 2357.41*

For tax years beginning after December 31, 2000, a credit is available for qualified rehabilitation expenditures incurred with any certified historic hotel or historic newspaper plant building located in an increment or incentive district —or— for qualified rehabilitation expenditures incurred after January 1, 2006 in connection with any certified historic structure. The credit may be freely transferred, at any time during the five years following the year of qualification. On or after January 1, 2009, if this credit which has been transferred is subsequently reduced as the result of an adjustment by the Internal Revenue Service, OTC, or any other applicable government agency, only the transferor originally allowed the credit and not any subsequent transferee of the credit, will be held liable to repay any amount of disallowed credit. Any unused credit may be carried over for a period not to exceed ten years following the qualified expenditures.

## **Credit for Electricity Generated by Zero-Emission Facilities**

*68 OS Sec. 2357.32A*

For tax years beginning on or after January 1, 2003, a credit is available for the production and sale of electricity generated by zero-emission facilities located in this state. The sale must be to an unrelated person to qualify for this credit. Any credit allowed may only be claimed on or after July 1 following the calendar year of qualification. The credit is freely transferable at any time during the ten years following the year of qualification. Any unused credit may be carried over for a period not to exceed ten years following the year of qualification. 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 Form 511CR, line 21.

## **Credit for Manufacturers of Small Wind Turbines**

*68 OS Sec. 2357.32B and Rule 710:50-15-92*

For tax years beginning on or after January 1, 2003, and ending on or before December 31, 2012, a credit is available for Oklahoma manufacturers of advanced small wind turbine products, including rotor blade and alternator fabrication. Any credit allowed may only be claimed on or after July 1 following the calendar year of qualification. The credit is freely transferable at any time during the ten years following the year of qualification. Any unused credit may be carried over for a period not to exceed ten years following the year of qualification. 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 Form 511CR, line 23.

## **Credit for the Construction of Energy Efficient Homes**

*68 OS Sec. 2357.46 and Rule 710:50-15-104*

For tax years beginning after December 31, 2005, a credit is available for expenses incurred by a contractor in the construction of a qualified Oklahoma energy efficient residential property of 2,000 square feet or less. Credits earned on or after August 25, 2006, may be freely transferred. Any unused credit may be carried over for a period not to exceed four years following the qualified expenditures.

## **Credit for Railroad Modernization**

*68 OS Sec. 2357.104 and Rule 710:50-15-103*

For tax years beginning after December 31, 2005, a credit is available for Class II or Class III railroad's qualified railroad reconstruction or replacement expenditures. The credit may be freely transferred at any time during the five years following the year of qualification. Any unused credit may be carried over for a period not to exceed five years following the year of qualification.

## **Oklahoma Capital Investment Board Tax Credit**

*74 OS Sec. 5085.7*

The Oklahoma Capital Investment Board Tax Credit is freely transferable; however, the credit is not exercisable before July 1, 1990 or after July 1, 2015. NOTE: This credit, upon 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 Form 511CR, line 45.