

1 STATE OF OKLAHOMA

2 1st Session of the 53rd Legislature (2011)

3 SENATE BILL 3

By: Mazzei

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5  
6 AS INTRODUCED

7 An Act relating to income tax; amending Sections 2, 3  
8 and 4, Chapter 417, O.S.L. 2008, as last amended by  
9 Sections 26, 27 and 28, Chapter 327, O.S.L. 2010 (68  
10 O.S. Supp. 2010, Sections 2357.302, 2357.303 and  
11 2357.304), which relate to income tax credits;  
12 modifying the time period during which certain tax  
13 credits may be claimed; providing an effective date;  
14 and declaring an emergency.

15 SUBJECT: Income tax

16 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

17 SECTION 1. AMENDATORY Section 2, Chapter 417, O.S.L.  
18 2008, as amended by Section 26, Chapter 327, O.S.L. 2010 (68 O.S.  
19 Supp. 2010, Section 2357.302), is amended to read as follows:

20 Section 2357.302 A. Except as provided in subsection F of this  
21 section, for taxable years beginning after December 31, 2008, a  
22 qualified employer shall be allowed a credit against the tax imposed  
23 pursuant to Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this  
24 title for tuition reimbursed to a qualified employee.

B. The credit authorized by subsection A of this section may be  
claimed only if the qualified employee has been awarded an

1 undergraduate or graduate degree within one (1) year of commencing  
2 employment with the qualified employer.

3 C. The credit authorized by subsection A of this section shall  
4 be in the amount of fifty percent (50%) of the tuition reimbursed to  
5 a qualified employee for the first through fourth years of  
6 employment. In no event shall this credit exceed fifty percent  
7 (50%) of the average annual amount paid by a qualified employee for  
8 enrollment and instruction in a qualified program at a public  
9 institution in Oklahoma.

10 D. The credit authorized by subsection A of this section shall  
11 not be used to reduce the tax liability of the qualified employer to  
12 less than zero (0).

13 E. No credit authorized by this section shall be claimed after  
14 the fourth year of employment.

15 F. No credit otherwise authorized by the provisions of this  
16 section may be claimed for any event, transaction, investment,  
17 expenditure or other act occurring on or after July 1, 2010, for  
18 which the credit would otherwise be allowable. The provisions of  
19 this subsection shall cease to be operative on ~~July 1, 2012~~ July 1,  
20 2011. Beginning ~~July 1, 2012~~ July 1, 2011, the credit authorized by  
21 this section may be claimed for any event, transaction, investment,  
22 expenditure or other act occurring on or after ~~July 1, 2012~~ July 1,  
23 2011, according to the provisions of this section.

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1 SECTION 2. AMENDATORY Section 3, Chapter 417, O.S.L.  
2 2008, as amended by Section 27, Chapter 327, O.S.L. 2010 (68 O.S.  
3 Supp. 2010, Section 2357.303), is amended to read as follows:

4 Section 2357.303 A. Except as provided in subsection F of this  
5 section, for taxable years beginning after December 31, 2008, a  
6 qualified employer shall be allowed a credit against the tax imposed  
7 pursuant to Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this  
8 title for compensation paid to a qualified employee.

9 B. The credit authorized by subsection A of this section shall  
10 be in the amount of:

11 1. Ten percent (10%) of the compensation paid for the first  
12 through fifth years of employment in the aerospace sector if the  
13 qualified employee graduated from an institution located in this  
14 state; or

15 2. Five percent (5%) of the compensation paid for the first  
16 through fifth years of employment in the aerospace sector if the  
17 qualified employee graduated from an institution located outside  
18 this state.

19 C. The credit authorized by this section shall not exceed  
20 Twelve Thousand Five Hundred Dollars (\$12,500.00) for each qualified  
21 employee annually.

22 D. The credit authorized by this section shall not be used to  
23 reduce the tax liability of the qualified employer to less than zero  
24 (0).

1 E. No credit authorized pursuant to this section shall be  
2 claimed after the fifth year of employment.

3 F. No credit otherwise authorized by the provisions of this  
4 section may be claimed for any event, transaction, investment,  
5 expenditure or other act occurring on or after July 1, 2010, for  
6 which the credit would otherwise be allowable. The provisions of  
7 this subsection shall cease to be operative on ~~July 1, 2012~~ July 1,  
8 2011. Beginning ~~July 1, 2012~~ July 1, 2011, the credit authorized by  
9 this section may be claimed for any event, transaction, investment,  
10 expenditure or other act occurring on or after ~~July 1, 2012~~ July 1,  
11 2011, according to the provisions of this section.

12 SECTION 3. AMENDATORY Section 4, Chapter 417, O.S.L.  
13 2008, as amended by Section 28, Chapter 327, O.S.L. 2010 (68 O.S.  
14 Supp. 2010, Section 2357.304), is amended to read as follows:

15 Section 2357.304 A. Except as provided in subsection D of this  
16 section, for taxable years beginning after December 31, 2008, a  
17 qualified employee shall be allowed a credit against the tax imposed  
18 pursuant to Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this  
19 title of up to Five Thousand Dollars (\$5,000.00) per year for a  
20 period of time not to exceed five (5) years.

21 B. The credit authorized by this section shall not be used to  
22 reduce the tax liability of the taxpayer to less than zero (0).

23 C. Any credit claimed, but not used, may be carried over, in  
24 order, to each of the five (5) subsequent taxable years.

1 D. No credit otherwise authorized by the provisions of this  
2 section may be claimed for any event, transaction, investment,  
3 expenditure or other act occurring on or after July 1, 2010, for  
4 which the credit would otherwise be allowable. The provisions of  
5 this subsection shall cease to be operative on ~~July 1, 2012~~ July 1,  
6 2011. Beginning ~~July 1, 2012~~ July 1, 2011, the credit authorized by  
7 this section may be claimed for any event, transaction, investment,  
8 expenditure or other act occurring on or after ~~July 1, 2012~~ July 1,  
9 2011, according to the provisions of this section.

10 SECTION 4. This act shall become effective July 1, 2011.

11 SECTION 5. It being immediately necessary for the preservation  
12 of the public peace, health and safety, an emergency is hereby  
13 declared to exist, by reason whereof this act shall take effect and  
14 be in full force from and after its passage and approval.

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