ENGROSSED HOUSE
BILL NO. 1839   By: Osborn (Leslie) of the
House

and

David of the Senate

An Act relating to revenue and taxation; amending 68
O.S. 2011, Sections 2357.302, 2357.303 and 2357.304,
as amended by Sections 2, 3 and 4, Chapter 30, O.S.L.
2014 (68 O.S. Supp. 2016, Sections 2357.302, 2357.303
and 2357.304), which relate to tax credits for
aerospace engineers; modifying reference to taxable
years; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2357.302, as
amended by Section 2, Chapter 30, O.S.L. 2014 (68 O.S. Supp. 2016,
Section 2357.302), is amended to read as follows:

Section 2357.302 A. Except as provided in subsection F of this
section, for taxable years beginning after December 31, 2008, and
ending before January 1, ~~2018~~ 2022, a qualified employer shall be
allowed a credit against the tax imposed pursuant to Section 2355 of
this 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, 2011.

20 Beginning July 1, 2011, the credit authorized by this section may be

21 claimed for any event, transaction, investment, expenditure or other

22 act occurring on or after July 1, 2011, according to the provisions

23 of this section.

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1   SECTION 2.   AMENDATORY   68 O.S. 2011, Section 2357.303, as

2 amended by Section 3, Chapter 30, O.S.L. 2014 (68 O.S. Supp. 2016,

3 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, and

6 ending before January 1, ~~2018~~ 2022, a qualified employer shall be

7 allowed a credit against the tax imposed pursuant to Section 2355 of

8 this 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, 2011.

8   Beginning July 1, 2011, the credit authorized by this section may be

9   claimed for any event, transaction, investment, expenditure or other

10   act occurring on or after July 1, 2011, according to the provisions

11   of this section.

12   SECTION 3.   AMENDATORY   68 O.S. 2011, Section 2357.304, as

13   amended by Section 4, Chapter 30, O.S.L. 2014 (68 O.S. Supp. 2016,

14   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, and

17   ending before January 1, ~~2018~~ 2022, a qualified employee shall be

18   allowed a credit against the tax imposed pursuant to Section 2355 of

19   this 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, 2011.

6 Beginning July 1, 2011, the credit authorized by this section may be

7 claimed for any event, transaction, investment, expenditure or other

8 act occurring on or after July 1, 2011, according to the provisions

9 of this section.

10   SECTION 4. This act shall become effective November 1, 2017.

11   Passed the House of Representatives the 21st day of March, 2017.

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                                     _____
                                     Presiding Officer of the House
14   of Representatives

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    Passed the Senate the ___ day of _____, 2017.
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18   Presiding Officer of the Senate

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