

1 **SENATE FLOOR VERSION**

2 April 12, 2017

3 **AS AMENDED**

4 ENGROSSED HOUSE

5 BILL NO. 1839

6 By: Osborn (Leslie) of the
7 House

8 and

9 David of the Senate

10 **[revenue and taxation - tax credits for aerospace
11 engineers - effective date]**

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

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

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

21 B. The credit authorized by subsection A of this section may be
22 claimed only if the qualified employee has been awarded an
23 undergraduate or graduate degree within one (1) year of commencing
24 employment with the qualified employer.

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

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

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

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

22 SECTION 2. AMENDATORY 68 O.S. 2011, Section 2357.303, as
23 amended by Section 3, Chapter 30, O.S.L. 2014 (68 O.S. Supp. 2016,
24 Section 2357.303), is amended to read as follows:

1 Section 2357.303 A. Except as provided in subsection F of this
2 section, for taxable years beginning after December 31, 2008, and
3 ending before January 1, ~~2018~~ 2022, a qualified employer shall be
4 allowed a credit against the tax imposed pursuant to Section 2355 of
5 this title for compensation paid to a qualified employee.

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

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

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

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

19 D. The credit authorized by this section shall not be used to
20 reduce the tax liability of the qualified employer to less than zero
21 (0).

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

24

1 F. 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 3. AMENDATORY 68 O.S. 2011, Section 2357.304, as
11 amended by Section 4, Chapter 30, O.S.L. 2014 (68 O.S. Supp. 2016,
12 Section 2357.304), is amended to read as follows:

13 Section 2357.304 A. Except as provided in subsection D of this
14 section, for taxable years beginning after December 31, 2008, and
15 ending before January 1, ~~2018~~ 2022, a qualified employee shall be
16 allowed a credit against the tax imposed pursuant to Section 2355 of
17 this title of up to Five Thousand Dollars (\$5,000.00) per year for a
18 period of time not to exceed five (5) years.

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

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

23 D. No credit otherwise authorized by the provisions of this
24 section may be claimed for any event, transaction, investment,

1 expenditure or other act occurring on or after July 1, 2010, for
2 which the credit would otherwise be allowable. The provisions of
3 this subsection shall cease to be operative on July 1, 2011.
4 Beginning July 1, 2011, the credit authorized by this section may be
5 claimed for any event, transaction, investment, expenditure or other
6 act occurring on or after July 1, 2011, according to the provisions
7 of this section.

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

9 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
10 April 12, 2017 - DO PASS AS AMENDED

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