

1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2357.801 of Title 68, unless
3 there is created a duplication in numbering, reads as follows:

4 A. As used in this section "tax credit" means any method by
5 which the gross amount of a state tax liability is reduced to a net
6 amount.

7 B. Effective January 1, 2017, any legislation which creates a
8 tax credit shall contain a provision to limit the number of taxable
9 years for which the tax credit may be initially claimed, not
10 counting any carryover period, to three (3) taxable years. If any
11 legislation does not contain such provision, the tax credit shall be
12 deemed to include such provision as a result of the requirements of
13 this section.

14 C. All tax credits shall be required to be evaluated for
15 economic benefit. The evaluation shall be conducted by the Joint
16 Committee on Appropriations and Budget with the assistance of the
17 Office of Management and Enterprise Services.

18 D. In order for a tax credit to be eligible for extension of
19 its initial period of three (3) taxable years, the Joint Committee
20 on Appropriations and Budget must make a specific finding that the
21 tax credit has had an economic multiplier effect which is at least a
22 multiple of three (3) times the amount of revenue foregone as a
23 result of the use of the tax credit to reduce state tax liabilities
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1 as reflected on state tax returns for the period preceding the year
2 during which the analysis required by this subsection is conducted.

3 E. For purposes of subsection D of this section, action on a
4 tax credit revenue impact shall require a quorum of the members of
5 the Joint Committee on Appropriations and Budget from the Oklahoma
6 House of Representatives and the Oklahoma State Senate,
7 respectively, to be present for the vote. A majority of a quorum
8 shall be required to make any required finding.

9 F. The provisions of this section shall not be applicable to
10 any tax credit which has previously been enacted and which was
11 effective as law prior to January 1, 2017.

12 SECTION 3. This act shall become effective November 1, 2016.

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14 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
15 02/25/2016 - DO PASS, As Coauthored.

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