1	HOUSE OF REPRESENTATIVES - FLOOR VERSION
2	STATE OF OKLAHOMA
3	2nd Session of the 55th Legislature (2016)
4	HOUSE BILL 2690 By: Brumbaugh of the House
5	and
6	Mazzei of the Senate
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9	AS INTRODUCED
10	An Act relating to revenue and taxation; enacting the
11	Tax Credit Reauthorization Act; defining term; requiring certain legislative enactments to contain
12	sunset provision; providing for effect of requirement based upon omission of sunset provision from
13	legislation; requiring evaluation of economic impact; requiring action by Joint Committee on Appropriations
14	and Budget; requiring quorum; prescribing procedures for findings; specifying tax credits enacted prior to
15	certain date exempt from requirements; providing for codification; and providing an effective date.
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18	BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:
19	SECTION 1. NEW LAW A new section of law not to be
20	codified in the Oklahoma Statutes reads as follows:
21	This act shall be known and may be cited as the "Tax Credit
22	Reauthorization Act".
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1SECTION 2.NEW LAWA new section of law to be codified2in the Oklahoma Statutes as Section 2357.801 of Title 68, unless3there is created a duplication in numbering, reads as follows:

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

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

D. In order for a tax credit to be eligible for extension of its initial period of three (3) taxable years, the Joint Committee on Appropriations and Budget must make a specific finding that the tax credit has had an economic multiplier effect which is at least a multiple of three (3) times the amount of revenue foregone as a result of the use of the tax credit to reduce state tax liabilities

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as reflected on state tax returns for the period preceding the year
 during which the analysis required by this subsection is conducted.
 E. For purposes of subsection D of this section, action on a
 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.

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

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

HB2690 HFLR BOLD FACE denotes Committee Amendments.

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