

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL 916

6 By: Mazzei and Quinn

7 COMMITTEE SUBSTITUTE

8 [tax credits - short title - eliminating certain
9 credit - placing annual cap on amount of credits -
10 modifying amount which may be claimed -
11 noncodification -

emergency]

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

13 SECTION 1. NEW LAW A new section of law not to be
14 codified in the Oklahoma Statutes reads as follows:

15 This act shall be known and may be cited as the "The Tax Credit
16 Reform Act of 2016".

17 SECTION 2. AMENDATORY 68 O.S. 2011, Section 2357, as
18 last amended by Section 1, Chapter 147, O.S.L. 2015 (68 O.S. Supp.
19 2015, Section 2357), is amended to read as follows:

20 Section 2357. A. The withheld taxes and estimated taxes paid
21 shall be allowed as credits as provided by law.

22 B. 1. There shall be allowed as a credit against the tax
23 imposed by Section 2355 of this title the amount of tax paid another
24 state by a resident individual, as defined in paragraph 4 of Section

1 2353 of this title, upon income received as compensation for
2 personal services in such other state; provided, such credit shall
3 not be allowed with respect to any income specified in Section 114
4 of Title 4 of the United States Code, 4 U.S.C., Section 114, upon
5 which a state is prohibited from imposing an income tax. The credit
6 shall not exceed such proportion of the tax payable under Section
7 2355 of this title as the compensation for personal services subject
8 to tax in the other state and also taxable under Section 2355 of
9 this title bears to the Oklahoma adjusted gross income as defined in
10 paragraph 13 of Section 2353 of this title.

11 2. For tax years beginning after December 31, 2007, and ending
12 before January 1, 2016, there shall be allowed to a resident
13 individual or part-year resident individual or nonresident
14 individual member of the Armed Forces as a credit against the tax
15 imposed by Section 2355 of this title twenty percent (20%) of the
16 credit for child care expenses allowed under the Internal Revenue
17 Code of the United States or five percent (5%) of the child tax
18 credit allowed under the Internal Revenue Code, whichever amount is
19 greater. Neither credit authorized by this paragraph shall exceed
20 the tax imposed by Section 2355 of this title. The maximum child
21 care credit allowable on the Oklahoma income tax return shall be
22 prorated on the ratio that Oklahoma adjusted gross income bears to
23 the federal adjusted gross income. The credit authorized by this
24 paragraph shall not be claimed by any taxpayer if the federal

1 adjusted gross income reflected on the Oklahoma return for the
2 taxpayer is in excess of One Hundred Thousand Dollars (\$100,000.00).

3 SECTION 3. AMENDATORY 68 O.S. 2011, Section 2357.4, as
4 amended by Section 1, Chapter 336, O.S.L. 2015 (68 O.S. Supp. 2015,
5 Section 2357.4), is amended to read as follows:

6 Section 2357.4. A. Except as otherwise provided in subsection
7 F of Section 3658 of this title and in subsections ~~J and K~~ , K and L
8 of this section, for taxable years beginning after December 31,
9 1987, there shall be allowed a credit against the tax imposed by
10 Section 2355 of this title for:

11 1. Investment in qualified depreciable property placed in
12 service during those years for use in a manufacturing operation, as
13 defined in Section 1352 of this title, which has received a
14 manufacturer exemption permit pursuant to the provisions of Section
15 1359.2 of this title or a qualified aircraft maintenance or
16 manufacturing facility as defined in Section 1357 of this title in
17 this state or a qualified web search portal as defined in Section
18 1357 of this title; or

19 2. A net increase in the number of full-time-equivalent
20 employees in a manufacturing operation, as defined in Section 1352
21 of this title, which has received a manufacturer exemption permit
22 pursuant to the provisions of Section 1359.2 of this title or a
23 qualified aircraft maintenance or manufacturing facility defined in
24 Section 1357 of this title in this state or in a qualified web

1 search portal as defined in Section 1357 of this title including
2 employees engaged in support services.

3 B. Except as otherwise provided in subsection F of Section 3658
4 of this title and in subsections J ~~and K~~ , K and L of this section,
5 for taxable years beginning after December 31, 1998, there shall be
6 allowed a credit against the tax imposed by Section 2355 of this
7 title for:

8 1. Investment in qualified depreciable property with a total
9 cost equal to or greater than Forty Million Dollars (\$40,000,000.00)
10 within three (3) years from the date of initial qualifying
11 expenditure and placed in service in this state during those years
12 for use in the manufacture of products described by any Industry
13 Number contained in Division D of Part I of the Standard Industrial
14 Classification (SIC) Manual, latest revision; or

15 2. A net increase in the number of full-time-equivalent
16 employees in this state engaged in the manufacture of any goods
17 identified by any Industry Number contained in Division D of Part I
18 of the Standard Industrial Classification (SIC) Manual, latest
19 revision, if the total cost of qualified depreciable property placed
20 in service by the business entity within the state equals or exceeds
21 Forty Million Dollars (\$40,000,000.00) within three (3) years from
22 the date of initial qualifying expenditure.

23 C. The business entity may claim the credit authorized by
24 subsection B of this section for expenditures incurred or for a net

1 increase in the number of full-time-equivalent employees after the
2 business entity provides proof satisfactory to the Oklahoma Tax
3 Commission that the conditions imposed pursuant to paragraph 1 or
4 paragraph 2 of subsection B of this section have been satisfied.

5 D. If a business entity fails to expend the amount required by
6 paragraph 1 or paragraph 2 of subsection B of this section within
7 the time required, the business entity may not claim the credit
8 authorized by subsection B of this section but shall be allowed to
9 claim a credit pursuant to subsection A of this section if the
10 requirements of subsection A of this section are met with respect to
11 the investment in qualified depreciable property or net increase in
12 the number of full-time-equivalent employees.

13 E. The credit provided for in subsection A of this section, if
14 based upon investment in qualified depreciable property, shall not
15 be allowed unless the investment in qualified depreciable property
16 is at least Fifty Thousand Dollars (\$50,000.00). The credit
17 provided for in subsection A or B of this section shall not be
18 allowed if the applicable investment is the direct cause of a
19 decrease in the number of full-time-equivalent employees. Qualified
20 property shall be limited to machinery, fixtures, equipment,
21 buildings or substantial improvements thereto, placed in service in
22 this state during the taxable year. The taxable years for which the
23 credit may be allowed if based upon investment in qualified
24 depreciable property shall be measured from the year in which the

1 qualified property is placed in service. If the credit provided for
2 in subsection A or B of this section is calculated on the basis of
3 the cost of the qualified property, the credit shall be allowed in
4 each of the four (4) subsequent years. If the qualified property on
5 which a credit has previously been allowed is acquired from a
6 related party, the date such property is placed in service by the
7 transferor shall be considered to be the date such property is
8 placed in service by the transferee, for purposes of determining the
9 aggregate number of years for which credit may be allowed.

10 F. The credit provided for in subsection A or B of this
11 section, if based upon an increase in the number of full-time-
12 equivalent employees, shall be allowed in each of the four (4)
13 subsequent years only if the level of new employees is maintained in
14 the subsequent year. In calculating the credit by the number of new
15 employees, only those employees whose paid wages or salary were at
16 least Seven Thousand Dollars (\$7,000.00) during each year the credit
17 is claimed shall be included in the calculation. Provided, that the
18 first year a credit is claimed for a new employee, such employee may
19 be included in the calculation notwithstanding paid wages of less
20 than Seven Thousand Dollars (\$7,000.00) if the employee was hired in
21 the last three quarters of the tax year, has wages or salary which
22 will result in annual paid wages in excess of Seven Thousand Dollars
23 (\$7,000.00) and the taxpayer submits an affidavit stating that the
24 employee's position will be retained in the following tax year and

1 will result in the payment of wages in excess of Seven Thousand
2 Dollars (\$7,000.00). The number of new employees shall be
3 determined by comparing the monthly average number of full-time
4 employees subject to Oklahoma income tax withholding for the final
5 quarter of the taxable year with the corresponding period of the
6 prior taxable year, as substantiated by such reports as may be
7 required by the Tax Commission.

8 G. The credit allowed by subsection A of this section shall be
9 the greater amount of either:

10 1. One percent (1%) of the cost of the qualified property in
11 the year the property is placed in service; or

12 2. Five Hundred Dollars (\$500.00) for each new employee. No
13 credit shall be allowed in any taxable year for a net increase in
14 the number of full-time-equivalent employees if such increase is a
15 result of an investment in qualified depreciable property for which
16 an income tax credit has been allowed as authorized by this section.

17 H. The credit allowed by subsection B of this section shall be
18 the greater amount of either:

19 1. Two percent (2%) of the cost of the qualified property in
20 the year the property is placed in service; or

21 2. One Thousand Dollars (\$1,000.00) for each new employee.

22 No credit shall be allowed in any taxable year for a net
23 increase in the number of full-time-equivalent employees if such
24 increase is a result of an investment in qualified depreciable

1 property for which an income tax credit has been allowed as
2 authorized by this section.

3 I. Except as provided by subsection G of Section 3658 of this
4 title, any credits allowed but not used in any taxable year may be
5 carried over in order as follows:

6 1. To each of the four (4) years following the year of
7 qualification;

8 2. To the extent not used in those years in order to each of
9 the fifteen (15) years following the initial five-year period; and

10 3. If a C corporation that otherwise qualified for the credits
11 under subsection A of this section subsequently changes its
12 operating status to that of a pass-through entity which is being
13 treated as the same entity for federal tax purposes, the credits
14 will continue to be available as if the pass-through entity had
15 originally qualified for the credits subject to the limitations of
16 this section.

17 To the extent not used in paragraphs 1 and 2 of this subsection,
18 such credits from qualified depreciable property placed in service
19 on or after January 1, 2000, may be utilized in any subsequent tax
20 years after the initial twenty-year period.

21 J. No credit otherwise authorized by the provisions of this
22 section may be claimed for any event, transaction, investment,
23 expenditure or other act occurring on or after July 1, 2010, for
24 which the credit would otherwise be allowable until the provisions

1 of this subsection shall cease to be operative on July 1, 2012.
2 Beginning July 1, 2012, the credit authorized by this section may be
3 claimed for any event, transaction, investment, expenditure or other
4 act occurring on or after July 1, 2010, according to the provisions
5 of this section; provided, credits accrued during the period from
6 July 1, 2010, through June 30, 2012, shall be limited to a period of
7 two (2) taxable years. The credit shall be limited in each taxable
8 year to fifty percent (50%) of the total amount of the accrued
9 credit. Any tax credits which accrue during the period of July 1,
10 2010, through June 30, 2012, may not be claimed for any period prior
11 to the taxable year beginning January 1, 2012. No credits which
12 accrue during the period of July 1, 2010, through June 30, 2012, may
13 be used to file an amended tax return for any taxable year prior to
14 the taxable year beginning January 1, 2012.

15 K. Beginning January 1, 2017, except with respect to tax
16 credits allowed from investment or job creation occurring prior to
17 January 1, 2017, the credits authorized by this section shall not be
18 allowed for investment or job creation in electric power generation
19 by means of wind as described by the North American Industry
20 Classification System, No. 221119.

21 L. Except for tax credits allowed from investment or job
22 creation occurring prior to January 1, 2016, the total amount of
23 credits authorized by this section allowed for tax year 2016 or any
24 subsequent tax year shall be limited to Twenty-five Million Dollars

1 (\$25,000,000.00). The amount of the credit for each taxpayer shall
2 be adjusted annually so that the total estimate of the credits
3 authorized by this section does not exceed Twenty-five Million
4 Dollars (\$25,000,000.00). The formula to be used for the percentage
5 adjustment shall be Twenty-five Million Dollars (\$25,000,000.00)
6 divided by the credits claimed in the preceding year.

7 SECTION 4. AMENDATORY 68 O.S. 2011, Section 2357.22, as
8 last amended by Section 12, Chapter 328, O.S.L. 2014 (68 O.S. Supp.
9 2015, Section 2357.22), is amended to read as follows:

10 Section 2357.22. A. ~~For~~ Except as otherwise provided in
11 subsection J of this section, for tax years beginning before January
12 1, 2020, there shall be allowed a one-time credit against the income
13 tax imposed by Section 2355 of this title for investments in
14 qualified clean-burning motor vehicle fuel property placed in
15 service after December 31, 1990.

16 B. As used in this section, "qualified clean-burning motor
17 vehicle fuel property" means:

18 1. Equipment installed to modify a motor vehicle which is
19 propelled by gasoline or diesel fuel so that the vehicle may be
20 propelled by a hydrogen fuel cell, compressed natural gas, liquefied
21 natural gas or liquefied petroleum gas; provided, equipment
22 installed on a vehicle propelled by a hydrogen fuel cell shall only
23 be eligible for tax year 2010. The equipment covered by this
24 paragraph must:

- a. be new, not previously used to modify or retrofit any vehicle propelled by gasoline or diesel fuel and be installed by an alternative fuels equipment technician who is certified in accordance with the Alternative Fuels Technician Certification Act,
- b. meet all Federal Motor Vehicle Safety Standards set forth in 49 CFR 571, or
- c. for any commercial motor vehicle (CMV), follow the Federal Motor Carrier Safety Regulations or Oklahoma Intrastate Motor Carrier Regulations;

2. A motor vehicle originally equipped so that the vehicle may be propelled by a hydrogen fuel cell, compressed natural gas, liquefied natural gas or liquefied petroleum gas but only to the extent of the portion of the basis of such motor vehicle which is attributable to the storage of such fuel, the delivery to the engine of such motor vehicle of such fuel, and the exhaust of gases from combustion of such fuel. A motor vehicle originally equipped so that the vehicle may be propelled by a hydrogen fuel cell shall only be eligible for tax year 2010;

3. Property, not including a building and its structural components, which is:

- a. directly related to the delivery of compressed natural gas, liquefied natural gas or liquefied petroleum gas, or hydrogen, for commercial purposes or for a fee or

1 charge, into the fuel tank of a motor vehicle
2 propelled by such fuel including compression equipment
3 and storage tanks for such fuel at the point where
4 such fuel is so delivered but only if such property is
5 not used to deliver such fuel into any other type of
6 storage tank or receptacle and such fuel is not used
7 for any purpose other than to propel a motor vehicle,
8 or

9 b. a metered-for-fee, public access recharging system for
10 motor vehicles propelled in whole or in part by
11 electricity. The property covered by this paragraph
12 must be new, and must not have been previously
13 installed or used to refuel vehicles powered by
14 compressed natural gas, liquefied natural gas or
15 liquefied petroleum gas, hydrogen or electricity.

16 Any property covered by this paragraph which is related to the
17 delivery of hydrogen into the fuel tank of a motor vehicle shall
18 only be eligible for tax year 2010; or

19 4. Property which is directly related to the compression and
20 delivery of natural gas from a private home or residence, for
21 noncommercial purposes, into the fuel tank of a motor vehicle
22 propelled by compressed natural gas. The property covered by this
23 paragraph must be new and must not have been previously installed or
24 used to refuel vehicles powered by natural gas.

1 C. As used in this section, "motor vehicle" means a motor
2 vehicle originally designed by the manufacturer to operate lawfully
3 and principally on streets and highways.

4 D. The credit provided for in subsection A of this section
5 shall be as follows:

6 1. After the effective date of this act, for the qualified
7 clean-burning motor vehicle fuel property defined in paragraph 1 or
8 2 of subsection B of this section, forty-five percent (45%) of the
9 cost of the qualified clean-burning motor vehicle fuel property;

10 2. For qualified clean-burning motor vehicle fuel property
11 defined in paragraph 3 of subsection B of this section, a per-
12 location credit of seventy-five percent (75%) of the cost of the
13 qualified clean-burning motor vehicle fuel property; and

14 3. For qualified clean-burning motor vehicle fuel property
15 defined in paragraph 4 of subsection B of this section, a per-
16 location credit of the lesser of fifty percent (50%) of the cost of
17 the qualified clean-burning motor vehicle fuel property or Two
18 Thousand Five Hundred Dollars (\$2,500.00).

19 E. In cases where no credit has been claimed pursuant to
20 paragraph 1 of subsection D of this section by any prior owner and
21 in which a motor vehicle is purchased by a taxpayer with qualified
22 clean-burning motor vehicle fuel property installed by the
23 manufacturer of such motor vehicle and the taxpayer is unable or
24 elects not to determine the exact basis which is attributable to

1 such property, the taxpayer may claim a credit in an amount not
2 exceeding the lesser of ten percent (10%) of the cost of the motor
3 vehicle or One Thousand Five Hundred Dollars (\$1,500.00).

4 F. If the tax credit allowed pursuant to subsection A of this
5 section exceeds the amount of income taxes due or if there are no
6 state income taxes due on the income of the taxpayer, the amount of
7 the credit not used as an offset against the income taxes of a
8 taxable year may be carried forward as a credit against subsequent
9 income tax liability for a period not to exceed five (5) years.

10 G. A husband and wife who file separate returns for a taxable
11 year in which they could have filed a joint return may each claim
12 only one-half (1/2) of the tax credit that would have been allowed
13 for a joint return.

14 H. The Oklahoma Tax Commission is herein empowered to
15 promulgate rules by which the purpose of this section shall be
16 administered, including the power to establish and enforce penalties
17 for violations thereof.

18 I. Notwithstanding the provisions of Section 2352 of this
19 title, for the fiscal year beginning on July 1, 2014, and each
20 fiscal year thereafter, the Tax Commission shall calculate an amount
21 that equals five percent (5%) of the cost of qualified clean-burning
22 motor vehicle fuel property as provided for in paragraph 1 of
23 subsection D of this section for tax year 2012. For each subsequent
24 fiscal year thereafter, the Tax Commission shall perform the same

1 computation with respect to the second tax year preceding the
2 beginning of each subsequent fiscal year. The Tax Commission shall
3 then transfer an amount equal to the amount calculated in this
4 subsection from the revenue derived pursuant to the provisions of
5 subsections A, B and E of Section 2355 of this title to the
6 Compressed Natural Gas Conversion Safety and Regulation Fund created
7 in Section ~~13 of this act~~ 130.25 of Title 74 of the Oklahoma
8 Statutes.

9 J. Except for tax credits allowed for investments in qualified
10 clean-burning motor vehicle fuel property placed in service prior to
11 January 1, 2016, the total amount of credits authorized by this
12 section allowed for tax year 2016 or any subsequent tax year shall
13 be limited to Five Million Dollars (\$5,000,000.00). The amount of
14 the credit for each taxpayer shall be adjusted annually so that the
15 total estimate of the credits authorized by this section does not
16 exceed Five Million Dollars (\$5,000,000.00). The formula to be used
17 for the percentage adjustment shall be Five Million Dollars
18 (\$5,000,000.00) divided by the credits claimed in the preceding
19 year.

20 SECTION 5. AMENDATORY 68 O.S. 2011, Section 2357.32A, as
21 amended by Section 2, Chapter 371, O.S.L. 2013 (68 O.S. Supp. 2015,
22 Section 2357.32A), is amended to read as follows:

23 Section 2357.32A. A. Except as otherwise provided in
24 ~~subsection H~~ subsections H and I of this section, for tax years

1 beginning on or after January 1, 2003, there shall be allowed a
2 credit against the tax imposed by Section 2355 of this title to a
3 taxpayer for the taxpayer's production and sale to an unrelated
4 person of electricity generated by zero-emission facilities located
5 in this state. As used in this section:

6 1. "Electricity generated by zero-emission facilities" means
7 electricity that is exclusively produced by any facility located in
8 this state with a rated production capacity of one megawatt (1 mw)
9 or greater, constructed for the generation of electricity and placed
10 in operation after June 4, 2001, which utilizes eligible renewable
11 resources as its fuel source. The construction and operation of
12 such facilities shall result in no pollution or emissions that are
13 or may be harmful to the environment, pursuant to a determination by
14 the Department of Environmental Quality; and

15 2. "Eligible renewable resources" means resources derived from:
16 a. wind,
17 b. moving water,
18 c. sun, or
19 d. geothermal energy.

20 B. For facilities placed in operation on or after January 1,
21 2003, and before January 1, 2007, the amount of the credit for the
22 electricity generated on or after January 1, 2003, but prior to
23 January 1, 2004, shall be seventy-five one-hundredths of one cent
24 (\$0.0075) for each kilowatt-hour of electricity generated by zero-

1 emission facilities. For electricity generated on or after January
2 1, 2004, but prior to January 1, 2007, the amount of the credit
3 shall be fifty one-hundredths of one cent (\$0.0050) per kilowatt-
4 hour for electricity generated by zero-emission facilities. For
5 electricity generated on or after January 1, 2007, but prior to
6 January 1, 2012, the amount of the credit shall be twenty-five one-
7 hundredths of one cent (\$0.0025) per kilowatt-hour of electricity
8 generated by zero-emission facilities. For facilities placed in
9 operation on or after January 1, 2007, and before January 1, 2021,
10 the amount of the credit for the electricity generated on or after
11 January 1, 2007, shall be fifty one-hundredths of one cent (\$0.0050)
12 for each kilowatt-hour of electricity generated by zero-emission
13 facilities.

14 C. Credits may be claimed with respect to electricity generated
15 on or after January 1, 2003, during a ten-year period following the
16 date that the facility is placed in operation on or after June 4,
17 2001.

18 D. 1. For credits generated prior to January 1, 2014, if the
19 credit allowed pursuant to this section exceeds the amount of income
20 taxes due or if there are no state income taxes due on the income of
21 the taxpayer, the amount of the credit allowed but not used in any
22 tax year may be carried forward as a credit against subsequent
23 income tax liability for a period not exceeding ten (10) years.

24

1 2. For credits generated, but not used, on or after January 1,
2 2014, the Oklahoma Tax Commission shall refund, at the taxpayer's
3 election, directly to the taxpayer eighty-five percent (85%) of the
4 face amount of such credits. The direct refund of the credits
5 pursuant to this paragraph shall be available to all taxpayers,
6 including, without limitation, pass-through entities and taxpayers
7 subject to Section 2355 of this title, but shall not be available to
8 any entities falling within the provisions of subsection E of this
9 section. The amount of any direct refund of credits actually
10 received at the eighty-five percent (85%) level by the taxpayer
11 pursuant to this paragraph shall not be subject to the tax imposed
12 by Section 2355 of this title. If the pass-through entity does not
13 file a claim for a direct refund, the pass-through entity shall
14 allocate the credit to one or more of the shareholders, partners or
15 members of the pass-through entity; provided, the total of all
16 credits refunded or allocated shall not exceed the amount of the
17 credit or refund to which the pass-through entity is entitled. For
18 the purposes of this paragraph, "pass-through entity" means a
19 corporation that for the applicable tax year is treated as an S
20 corporation under the Internal Revenue Code of 1986, as amended,
21 general partnership, limited partnership, limited liability
22 partnership, trust or limited liability company that for the
23 applicable tax year is not taxed as a corporation for federal income
24 tax purposes.

1 E. Any nontaxable entities, including agencies of the State of
2 Oklahoma or political subdivisions thereof, shall be eligible to
3 establish a transferable tax credit in the amount provided in
4 subsection B of this section. Such tax credit shall be a property
5 right available to a state agency or political subdivision of this
6 state to transfer or sell to a taxable entity, whether individual or
7 corporate, who shall have an actual or anticipated income tax
8 liability under Section 2355 of this title. These tax credit
9 provisions are authorized as an incentive to the State of Oklahoma,
10 its agencies and political subdivisions to encourage the expenditure
11 of funds in the development, construction and utilization of
12 electricity from zero-emission facilities as defined in subsection A
13 of this section.

14 F. For credits generated prior to January 1, 2014, the amount
15 of the credit allowed, but not used, shall be freely transferable at
16 any time during the ten (10) years following the year of
17 qualification. Any person to whom or to which a tax credit is
18 transferred shall have only such rights to claim and use the credit
19 under the terms that would have applied to the entity by whom or by
20 which the tax credit was transferred. The provisions of this
21 subsection shall not limit the ability of a tax credit transferee to
22 reduce the tax liability of the transferee, regardless of the actual
23 tax liability of the tax credit transferor, for the relevant taxable
24 period. The transferor initially allowed the credit and any

1 subsequent transferees shall jointly file a copy of any written
2 transfer agreement with the Oklahoma Tax Commission within thirty
3 (30) days of the transfer. The written agreement shall contain the
4 name, address and taxpayer identification number or social security
5 number of the parties to the transfer, the amount of the credit
6 being transferred, the year the credit was originally allowed to the
7 transferor, and the tax year or years for which the credit may be
8 claimed. The Tax Commission may promulgate rules to permit
9 verification of the validity and timeliness of the tax credit
10 claimed upon a tax return pursuant to this subsection but shall not
11 promulgate any rules that unduly restrict or hinder the transfers of
12 such tax credit. The tax credit allowed by this section, upon the
13 election of the taxpayer, may be claimed as a payment of tax, a
14 prepayment of tax or a payment of estimated tax for purposes of
15 Section 1803 or Section 2355 of this title.

16 G. For electricity generation produced and sold in a calendar
17 year, the tax credit allowed by the provisions of this section, upon
18 election of the taxpayer, shall be treated and may be claimed as a
19 payment of tax, a prepayment of tax or a payment of estimated tax
20 for purposes of Section 2355 of this title on or after July 1 of the
21 following calendar year.

22 H. No credit otherwise authorized by the provisions of this
23 section may be claimed for any event, transaction, investment,
24 expenditure or other act occurring on or after July 1, 2010, for

1 which the credit would otherwise be allowable until the provisions
2 of this subsection shall cease to be operative on July 1, 2011.
3 Beginning July 1, 2011, the credit authorized by this section may be
4 claimed for any event, transaction, investment, expenditure or other
5 act occurring on or after July 1, 2010, according to the provisions
6 of this section. Any tax credits which accrue during the period of
7 July 1, 2010, through June 30, 2011, may not be claimed for any
8 period prior to the taxable year beginning January 1, 2012. No
9 credits which accrue during the period of July 1, 2010, through June
10 30, 2011, may be used to file an amended tax return for any taxable
11 year prior to the taxable year beginning January 1, 2012.

12 I. Except for tax credits allowed for electricity generated
13 before January 1, 2016, the total amount of credits authorized by
14 this section allowed for tax year 2016 or any subsequent tax year
15 shall be limited to Ten Million Dollars (\$10,000,000.00). The
16 amount of the credit for each taxpayer shall be adjusted annually so
17 that the total estimate of the credits authorized by this section
18 does not exceed Ten Million Dollars (\$10,000,000.00). The formula
19 to be used for the percentage adjustment shall be Ten Million
20 Dollars (\$10,000,000.00) divided by the credits claimed in the
21 preceding year.

22 SECTION 6. AMENDATORY 68 O.S. 2011, Section 2357.41, is
23 amended to read as follows:
24

1 Section 2357.41. A. Except as otherwise provided by ~~subsection~~
2 ~~±~~ subsections I and J of this section, for tax years beginning after
3 December 31, 2000, there shall be allowed a credit against the tax
4 imposed by Sections 2355 and 2370 of this title or that portion of
5 the tax imposed by Section 624 or 628 of Title 36 of the Oklahoma
6 Statutes that would otherwise have been apportioned to the General
7 Revenue Fund for qualified rehabilitation expenditures incurred in
8 connection with any certified historic hotel or historic newspaper
9 plant building located in an increment or incentive district created
10 pursuant to the Local Development Act or for qualified
11 rehabilitation expenditures incurred after January 1, 2006, in
12 connection with any certified historic structure.

13 B. The amount of the credit shall be one hundred percent (100%)
14 of the federal rehabilitation credit provided for in Section 47 of
15 Title 26 of the United States Code. The credit authorized by this
16 section may be claimed at any time after the relevant local
17 governmental body responsible for doing so issues a certificate of
18 occupancy or other document that is a precondition for the
19 applicable use of the building or structure that is the basis upon
20 which the credit authorized by this section is claimed.

21 C. All requirements with respect to qualification for the
22 credit authorized by Section 47 of Title 26 of the United States
23 Code shall be applicable to the credit authorized by this section.

24

1 D. If the credit allowed pursuant to this section exceeds the
2 amount of income taxes due or if there are no state income taxes due
3 on the income of the taxpayer, the amount of the credit allowed but
4 not used in any taxable year may be carried forward as a credit
5 against subsequent income tax liability for a period not exceeding
6 ten (10) years following the qualified expenditures.

7 E. All rehabilitation work to which the credit may be applied
8 shall be reviewed by the State Historic Preservation Office which
9 will in turn forward the information to the National Park Service
10 for certification in accordance with 36 C.F.R., Part 67. A
11 certified historic structure may be rehabilitated for any lawful use
12 or uses, including without limitation mixed uses and still retain
13 eligibility for the credit provided for in this section.

14 F. The amount of the credit allowed for any credit claimed for
15 a certified historic hotel or historic newspaper plant building or
16 any certified historic structure, but not used, shall be freely
17 transferable, in whole or in part, to subsequent transferees at any
18 time during the five (5) years following the year of qualification.
19 Any person to whom or to which a tax credit is transferred shall
20 have only such rights to claim and use the credit under the terms
21 that would have applied to the entity by whom or by which the tax
22 credit was transferred. The provisions of this subsection shall not
23 limit the ability of a tax credit transferee to reduce the tax
24 liability of the transferee regardless of the actual tax liability

1 of the tax credit transferor for the relevant taxable period. The
2 transferor of the credit and the transferee shall jointly file a
3 copy of the written credit transfer agreement with the Oklahoma Tax
4 Commission within thirty (30) days of the transfer. Such filing of
5 the written credit transfer agreement with the Oklahoma Tax
6 Commission shall perfect such transfer. The written agreement shall
7 contain the name, address and taxpayer identification number of the
8 parties to the transfer, the amount of credit being transferred, the
9 year the credit was originally allowed to the transferor, the tax
10 year or years for which the credit may be claimed, and a
11 representation by the transferor that the transferor has neither
12 claimed for its own behalf nor conveyed such credits to any other
13 transferee. The Tax Commission shall develop a standard form for
14 use by subsequent transferees of the credit demonstrating
15 eligibility for the transferee to reduce its applicable tax
16 liabilities resulting from ownership of the credit. The Tax
17 Commission shall develop a system to record and track the transfers
18 of the credit and certify the ownership of the credit and may
19 promulgate rules to permit verification of the validity and
20 timeliness of a tax credit claimed upon a tax return pursuant to
21 this subsection but shall not promulgate any rules which unduly
22 restrict or hinder the transfers of such tax credit.

23 G. Notwithstanding any other provisions in this section, on or
24 after January 1, 2009, if a credit allowed pursuant to this section

1 which has been transferred is subsequently reduced as the result of
2 an adjustment by the Internal Revenue Service, Tax Commission, or
3 any other applicable government agency, only the transferor
4 originally allowed the credit and not any subsequent transferee of
5 the credit, shall be held liable to repay any amount of disallowed
6 credit.

7 H. As used in this section:

8 1. "Certified historic hotel or historic newspaper plant
9 building" means a hotel or newspaper plant building that is listed
10 on the National Register of Historic Places within thirty (30)
11 months of taking the credit pursuant to this section.

12 2. "Certified historic structure" means a building that is
13 listed on the National Register of Historic Places within thirty
14 (30) months of taking the credit pursuant to this section or a
15 building located in Oklahoma which is certified by the State
16 Historic Preservation Office as contributing to the historic
17 significance of a certified historic district listed on the National
18 Register of Historic Places, or a local district that has been
19 certified by the State Historic Preservation Office as eligible for
20 listing in the National Register of Historic Places; and

21 3. "Qualified rehabilitation expenditures" means capital
22 expenditures that qualify for the federal rehabilitation credit
23 provided in Section 47 of Title 26 of the United States Code and
24 that were paid after December 31, 2000. Qualified rehabilitation

1 expenditures do not include capital expenditures for nonhistoric
2 additions except an addition that is required by state or federal
3 regulations that relate to safety or accessibility. In addition,
4 qualified rehabilitation expenditures do not include expenditures
5 related to the cost of acquisition of the property.

6 I. No credit otherwise authorized by the provisions of this
7 section may be claimed for any event, transaction, investment,
8 expenditure or other act occurring on or after July 1, 2010, for
9 which the credit would otherwise be allowable until the provisions
10 of this subsection shall cease to be operative on July 1, 2012.
11 Beginning July 1, 2012, the credit authorized by this section may be
12 claimed for any event, transaction, investment, expenditure or other
13 act occurring on or after July 1, 2010, according to the provisions
14 of this section. Any tax credits which accrue during the period of
15 July 1, 2010, through June 30, 2012, may not be claimed for any
16 period prior to the taxable year beginning January 1, 2012. No
17 credits which accrue during the period of July 1, 2010, through June
18 30, 2012, may be used to file an amended tax return for any taxable
19 year prior to the taxable year beginning January 1, 2012.

20 J. Except for tax credits allowed for qualified rehabilitation
21 expenditures incurred before January 1, 2016, the total amount of
22 credits authorized by this section allowed for tax year 2016 or any
23 subsequent tax year shall be limited to Five Million Dollars
24 (\$5,000,000.00). The amount of the credit for each taxpayer shall

1 be adjusted annually so that the total estimate of the credits
2 authorized by this section does not exceed Five Million Dollars
3 (\$5,000,000.00). The formula to be used for the percentage
4 adjustment shall be Five Million Dollars (\$5,000,000.00) divided by
5 the credits claimed in the preceding year.

6 SECTION 7. AMENDATORY 68 O.S. 2011, Section 2357.43, is
7 amended to read as follows:

8 Section 2357.43. For tax years beginning after December 31,
9 2001 and ending before January 1, 2016, there shall be allowed to a
10 resident individual or a part-year resident individual as a credit
11 against the tax imposed by Section 2355 of this title five percent
12 (5%) of the earned income tax credit allowed under Section 32 of the
13 Internal Revenue Code of the United States, 26 U.S.C., Section 32;
14 provided, for tax years beginning on or after January 1, 2016, the
15 credit shall be equal to four percent (4%) of the amount allowed
16 under Section 32 of the Internal Revenue Code of the United States,
17 26 U.S.C., Section 32. However, this credit shall not be paid in
18 advance pursuant to the provisions of Section 3507 of the Internal
19 Revenue Code. If the credit exceeds the tax imposed by Section 2355
20 of this title, the excess amount shall be refunded to the taxpayer.
21 The maximum earned income tax credit allowable on the Oklahoma
22 income tax return shall be prorated on the ratio that Oklahoma
23 adjusted gross income bears to the federal adjusted gross income.

1 SECTION 8. AMENDATORY 68 O.S. 2011, Section 2357.46, is
2 amended to read as follows:

3 Section 2357.46. A. Except as otherwise provided by ~~subsection~~
4 G subsections G and H of this section, for tax years beginning after
5 December 31, 2005, there shall be allowed a credit against the tax
6 imposed by Section 2355 of Title 68 of Oklahoma Statutes for
7 eligible expenditures incurred by a contractor in the construction
8 of energy efficient residential property of two thousand (2,000)
9 square feet or less. The amount of the credit shall be based upon
10 the following:

11 1. For any eligible energy efficient residential property
12 constructed and certified as forty percent (40%) or more above the
13 International Energy Conservation Code 2003 and any supplement in
14 effect at the time of completion, the amount of the credit shall be
15 equal to the eligible expenses, not to exceed Four Thousand Dollars
16 (\$4,000.00) for the taxpayer who is the contractor; and

17 2. For any eligible energy efficient residential property
18 constructed and certified as between twenty percent (20%) and
19 thirty-nine percent (39%) above the International Energy
20 Conservation Code 2003 and any supplement in effect at the time of
21 completion, the credit shall be equal to the eligible expenditures,
22 not to exceed Two Thousand Dollars (\$2,000.00) for the taxpayer who
23 is the contractor.

24 B. As used in this section:

1 1. "Eligible expenditure" means any:

2 a. energy efficient heating or cooling system,

3 b. insulation material or system which is specifically

4 and primarily designed to reduce the heat gain or loss

5 of a residential property when installed in or on such

6 property,

7 c. exterior windows, including skylights,

8 d. exterior doors, and

9 e. any metal roof installed on a residential property,

10 but only if such roof has appropriate pigmented

11 coatings which are specifically and primarily designed

12 to reduce the heat gain of such dwelling unit and

13 which meet Energy Star program requirements;

14 2. "Contractor" means the taxpayer who constructed the

15 residential property or manufactured home, or if more than one

16 taxpayer qualifies as the contractor, the primary contractor; and

17 3. "Eligible energy efficient residential property" means a

18 newly constructed residential property or manufactured home property

19 which is located in the State of Oklahoma and substantially complete

20 after December 31, 2005, and which is two thousand (2,000) square

21 feet or less:

22 a. for the credit provided pursuant to paragraph 1 of

23 subsection A of this section, which is certified by an

1 accredited Residential Energy Services Network

2 Provider using the Home Energy Rating System to have:

- 3 (1) a level of annual heating and cooling energy
4 consumption which is at least forty percent (40%)
5 below the annual level of heating and cooling
6 energy consumption of a comparable residential
7 property constructed in accordance with the
8 standards of Chapter 4 of the 2003 International
9 Energy Conservation Code, as such code is in
10 effect on the effective date of this act,
11 (2) heating and cooling equipment efficiencies which
12 correspond to the minimum allowed under the
13 regulations established by the Department of
14 Energy pursuant to the National Appliance Energy
15 Conservation Act of 1987 and in effect at the
16 time of construction of the property, and
17 (3) building envelope component improvements which
18 account for at least one-fifth of the reduced
19 annual heating and cooling energy consumption
20 levels,

- 21 b. for the credit provided pursuant to paragraph 2 of
22 subsection A of this section, which is certified by an
23 accredited Residential Energy Services Network
24 Provider using the Home Energy Rating System to have:

- 1 (1) a level of annual heating and cooling energy
2 consumption which is between twenty percent (20%)
3 and thirty-nine percent (39%) below the annual
4 level of heating and cooling energy consumption
5 of a comparable residential property constructed
6 in accordance with the standards of Chapter 4 of
7 the 2003 International Energy Conservation Code,
8 as such code is in effect on the effective date
9 of this act,
- 10 (2) heating and cooling equipment efficiencies which
11 correspond to the minimum allowed under the
12 regulations established by the Department of
13 Energy pursuant to the National Appliance Energy
14 Conservation Act of 1987 and in effect at the
15 time of construction of the property, and
- 16 (3) building envelope component improvements which
17 account for at least one-third of the reduced
18 annual heating and cooling energy consumption
19 levels.

20 C. The credit provided for in subsection A of this section may
21 only be claimed once for the contractor of any eligible residential
22 energy efficient property during the taxable year when the property
23 is substantially complete.

1 D. If the credit allowed pursuant to this section exceeds the
2 amount of income taxes due or if there are no state income taxes due
3 on the income of the taxpayer, the amount of credit allowed but not
4 used in any taxable year may be carried forward as a credit against
5 subsequent income tax liability for a period not exceeding four (4)
6 years following the qualified expenditures.

7 E. For credits earned on or after the effective date of this
8 act, the credits authorized by this section shall be freely
9 transferable to subsequent transferees.

10 F. The Oklahoma Tax Commission shall promulgate rules necessary
11 to implement this act.

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

21 H. Except for tax credits allowed for qualified rehabilitation
22 expenditures incurred before January 1, 2016, the total amount of
23 credits authorized by this section allowed for tax year 2016 or any
24 subsequent tax year shall be limited to Three Million Dollars

1 (\$3,000,000.00). The amount of the credit for each taxpayer shall
2 be adjusted annually so that the total estimate of the credits
3 authorized by this section does not exceed Three Million Dollars
4 (\$3,000,000.00). The formula to be used for the percentage
5 adjustment shall be Three Million Dollars (\$3,000,000.00) divided by
6 the credits claimed in the preceding year.

7 SECTION 9. AMENDATORY Section 1, Chapter 421, O.S.L.
8 2014 (68 O.S. Supp. 2015, Section 2357.403), is amended to read as
9 follows:

10 Section 2357.403. A. This act shall be known and may be cited
11 as the "Oklahoma Affordable Housing Act".

12 B. As used in this section:

13 1. "Allocation year" means the year for which the Oklahoma
14 Housing Finance Agency allocates credits pursuant to this section;

15 2. "Eligibility statement" means a statement authorized and
16 issued by the Oklahoma Housing Finance Agency certifying that a
17 given project qualifies for the Oklahoma Affordable Housing Tax
18 Credit authorized by this section. The Oklahoma Housing Finance
19 Agency, under Title 330, Oklahoma Housing Finance Agency, Chapter
20 36, Affordable Housing Tax Credit Program Rules, shall promulgate
21 rules establishing criteria upon which the eligibility statements
22 will be issued. The eligibility statement shall specify the amount
23 of Oklahoma Affordable Housing Tax Credits allocated to a qualified
24 project. The Oklahoma Housing Finance Agency shall only authorize

1 the tax credits created by this section to qualified projects which
2 are placed in service after July 1, 2015, but which shall not be
3 used to reduce tax liability accruing prior to January 1, 2016;

4 3. "Federal low-income housing tax credit" means the federal tax
5 credit as provided in Section 42 of the Internal Revenue Code of
6 1986, as amended;

7 4. "Oklahoma Affordable Housing Tax Credit" means the tax credit
8 created by this section;

9 5. "Qualified project" means a qualified low-income building as
10 that term is defined in Section 42 of the Internal Revenue Code of
11 1986, as amended, which is located in this state in a county with a
12 population of less than one hundred fifty thousand (150,000)
13 according to the latest Federal Decennial Census; and

14 6. "Taxpayer" means a person, firm or corporation subject to the
15 tax imposed by Section 2355 of ~~Title 68 of the Oklahoma Statutes~~
16 this title or an insurance company subject to the tax imposed by
17 Section 624 or 628 of Title 36 of the Oklahoma Statutes or other
18 financial institution subject to the tax imposed by Section 2370 of
19 ~~Title 68 of the Oklahoma Statutes~~ this title.

20 C. For qualified projects placed in service after July 1, 2015,
21 the amount of state tax credits created by this section which are
22 allocated to a project shall be equal to that of the federal low-
23 income housing tax credits for a qualified project. The total
24 Oklahoma Affordable Housing Tax Credits allocated to all qualified

1 projects ~~for an allocation year~~ shall not exceed ~~Four Million Dollars~~
2 ~~(\$4,000,000.00)~~;

3 1. Two Million Dollars (\$2,000,000.00) for projects placed in
4 service before July 1, 2016;

5 2. One Million Five Hundred Thousand Dollars (\$1,500,000.00) for
6 projects placed into service on or after July 1, 2016, and before
7 January 1, 2017; and

8 3. Three Million Dollars (\$3,000,000.00) for projects placed
9 into service during any allocation year which begins or after January
10 1, 2017.

11 For purposes of this section, the "credit period" shall mean the
12 period of ten (10) taxable years and "placed in service" shall have
13 the same meaning as is applicable under the federal credit program.

14 D. A taxpayer owning an interest in an investment in a qualified
15 project shall be allowed Oklahoma Affordable Housing Tax Credits
16 under this section for tax years beginning on or after January 1,
17 2016, if the Oklahoma Housing Finance Agency issues an eligibility
18 statement for such project, which tax credit shall be allocated
19 among some or all of the partners, members or shareholders of the
20 taxpayer owning such interest in any manner agreed to by such
21 partners, members or shareholders. Such taxpayer may assign its
22 interest in the investment.

23 E. An insurance company claiming a credit against state premium
24 tax or retaliatory tax or any other tax imposed by Section 624 or 628

1 of Title 36 of the Oklahoma Statutes shall not be required to pay
2 any additional retaliatory tax under Section 628 of Title 36 of the
3 Oklahoma Statutes as a result of claiming the credit. The credit
4 may fully offset any retaliatory tax imposed by Section 628 of Title
5 36 of the Oklahoma Statutes.

6 F. The credit authorized by this section shall not be used to
7 reduce the tax liability of the taxpayer to less than zero (\$0.00).

8 G. Any credit claimed but not used in a taxable year may be
9 carried forward to each of the five (5) subsequent taxable years.

10 H. The owner of a qualified project eligible for the credit
11 authorized by this section shall submit, at the time of filing the
12 tax return with the Oklahoma Tax Commission, an eligibility
13 statement from the Oklahoma Housing Finance Agency. In the case of
14 failure to attach the eligibility statement, no credit under this
15 section shall be allowed with respect to such project for that year
16 until required documents are provided to the Tax Commission.

17 I. If under Section 42 of the Internal Revenue Code of 1986, as
18 amended, a portion of any federal low-income housing credits taken on
19 a qualified project is required to be recaptured during the first ten
20 (10) years after a project is placed in service, the taxpayer
21 claiming Oklahoma Affordable Housing Tax Credits with respect to such
22 project shall also be required to recapture a portion of such
23 credits. The amount of Oklahoma Affordable Housing Tax Credits
24

1 subject to recapture shall be proportionally equal to the amount of
2 federal low-income housing credits subject to recapture.

3 J. The Oklahoma Housing Finance Agency or the Oklahoma Tax
4 Commission may require the filing of additional documentation
5 necessary to determine the accuracy of a tax credit claimed.

6 K. The Oklahoma Affordable Housing Act shall undergo a review
7 every five (5) years by a committee of nine (9) persons, to be
8 appointed three persons each by the Governor, President Pro Tempore of
9 the Oklahoma State Senate and the Speaker of the Oklahoma House of
10 Representatives.

11 SECTION 10. AMENDATORY 68 O.S. 2011, Section 5011, is
12 amended to read as follows:

13 Section 5011. A. Except as otherwise provided by this section,
14 beginning with the calendar year 1990 and for each calendar year
15 through 1998, and for calendar year 2003, any individual who is a
16 resident of and is domiciled in this state during the entire
17 calendar year for which the filing is made and whose gross household
18 income for such year does not exceed Twelve Thousand Dollars
19 (\$12,000.00) may file a claim for sales tax relief.

20 B. For calendar years 1999, 2002 and 2004, any individual who
21 is a resident of and is domiciled in this state during the entire
22 calendar year for which the filing is made may file a claim for
23 sales tax relief if the gross household income for such year does
24 not exceed the following amounts:

1 1. For an individual not subject to the provisions of paragraph
2 2 of this subsection and claiming no allowable personal exemption
3 other than the allowable personal exemption for that individual or
4 the spouse of that individual, Fifteen Thousand Dollars
5 (\$15,000.00); or

6 2. For an individual claiming one or more allowable personal
7 exemptions other than the allowable personal exemption for that
8 individual or the spouse of that individual, an individual with a
9 physical disability constituting a substantial handicap to
10 employment, or an individual who is sixty-five (65) years of age or
11 older at the close of the tax year, Thirty Thousand Dollars
12 (\$30,000.00).

13 C. For calendar years 2000, 2001, 2005 and following, an
14 individual who is a resident of and is domiciled in this state
15 during the entire calendar year for which the filing is made may
16 file a claim for sales tax relief if the gross household income for
17 such year does not exceed the following amounts:

18 1. For an individual not subject to the provisions of paragraph
19 2 of this subsection and claiming no allowable personal exemption
20 other than the allowable personal exemption for that individual or
21 the spouse of that individual, Twenty Thousand Dollars (\$20,000.00);
22 or

23 2. For an individual claiming one or more allowable personal
24 exemptions other than the allowable personal exemption for that

1 individual or the spouse of that individual, an individual with a
2 physical disability constituting a substantial handicap to
3 employment, or an individual who is sixty-five (65) years of age or
4 older at the close of the tax year, Fifty Thousand Dollars
5 (\$50,000.00).

6 D. The amount of the claim filed pursuant to the Sales Tax
7 Relief Act shall be Forty Dollars (\$40.00) multiplied by the number
8 of allowable personal exemptions for tax years which end on or
9 before December 31, 2015, and Thirty Dollars (\$30.00) for tax years
10 which begin on or after January 1, 2016. As used in the Sales Tax
11 Relief Act, "allowable personal exemption" means a personal
12 exemption to which the taxpayer would be entitled pursuant to the
13 provisions of the Oklahoma Income Tax Act, except for:

14 1. The exemptions such taxpayer would be entitled to pursuant
15 to Section 2358 of this title if such taxpayer or spouse is blind or
16 sixty-five (65) years of age or older at the close of the tax year;

17 2. An exemption for a person convicted of a felony if during
18 all or any part of the calendar year for which the claim is filed
19 such person was an inmate in the custody of the Department of
20 Corrections; or

21 3. An exemption for a person if during all or any part of the
22 calendar year for which the claim is filed such person resided
23 outside of this state.

24

1 E. A person convicted of a felony shall not be permitted to
2 file a claim for sales tax relief pursuant to the provisions of
3 Sections 5010 through 5016 of this title for the period of time
4 during which the person is an inmate in the custody of the
5 Department of Corrections. Such period of time shall include the
6 entire calendar year if the person is in the custody of the
7 Department of Corrections during any part of the calendar year. The
8 provisions of this subsection shall not prohibit all other members
9 of the household of an inmate from filing a claim based upon the
10 personal exemptions to which the household members would be entitled
11 pursuant to the provisions of the Oklahoma Income Tax Act.

12 F. The Department of Corrections shall withhold up to fifty
13 percent (50%) of any money inmates receive for claims made pursuant
14 to the Sales Tax Relief Act prior to September 1, 1991, for costs of
15 incarceration.

16 G. For purposes of Section 139.105 of Title 17 of the Oklahoma
17 Statutes, the gross household income of any individual who may file
18 a claim for sales tax relief shall not exceed Twelve Thousand
19 Dollars (\$12,000.00).

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

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