An Act

ENROLLED SENATE
BILL NO. 1152

By: Mazzei and Fields of the Senate

and

Sears of the House

An Act relating to income tax; amending 68 O.S. 2011, Section 2357.47, which relates to tax credits for certain expenses paid by an employer; limiting time period during which certain credits are allowed; and providing an effective date.

SUBJECT: Income tax credit

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2357.47, is amended to read as follows:

Section 2357.47. A. 1. Except as otherwise provided in subsection D of this section, for tax years beginning after December 31, 2005, <u>and ending before January 1, 2015,</u> there shall be allowed against the tax imposed by Section 2355 of this title, a credit for eligible wages paid by an employer to an employee. The amount of the credit shall be ten percent (10%) of the amount of the gross wages paid to the employee for a period not to exceed ninety (90) days but in no event shall the credit exceed Five Thousand Dollars ($5,000.00) for each employee of each taxpayer. In no event shall the total credit claimed exceed Twenty-five Thousand Dollars ($25,000.00) in any one year for any taxpayer.

2. Except as otherwise provided by subsection D of this section, for tax years beginning after December 31, 2005, <u>and ending before January 1, 2017,</u> there shall be allowed against the tax imposed by Section 2355 of this title, a credit for eligible modification expenses of an employer. The amount of the credit

shall be fifty percent (50%) of the amount of the funds expended for eligible modification expenses or new tools or equipment but in no event shall the credit exceed One Thousand Dollars ($1,000.00) for eligible modification expenses incurred for any single employee. In no event shall the total credit claimed exceed Ten Thousand Dollars ($10,000.00) in any year for any taxpayer.

3. As used in this section:

a. "employee", "employer", "maximum medical improvement", "treating physician", and "wages" shall be defined as in ~~Section 3 of~~ Title 85 of the Oklahoma Statutes,

b. "eligible wages" means gross wages paid by an employer to an employee who is injured as a result of an injury which is compensable under ~~the Workers' Compensation Act~~ Title 85 of the Oklahoma Statutes and which are paid beginning when the employee returns to work with restricted duties as provided by the employee's treating physician or an independent medical examiner before the employee has reached maximum medical improvement, and ending after ninety (90) days or when the employee has reached maximum medical improvement, and

c. "eligible modification expenses" means expenses incurred by an employer to modify a workplace, tools or equipment or to obtain new tools or equipment and which are incurred by an employer solely to enable a specific injured employee who is injured as a result of an injury which is compensable under the Workers' Compensation Act to return to work with restricted duties as provided by the employee's treating physician or an independent medical examiner before the employee has reached maximum medical improvement, and which workplace, tools or equipment are used primarily by the injured employee.

B. In no event shall the amount of the credit(s) exceed the amount of any tax liability of the taxpayer.

C. The Oklahoma Tax Commission shall have the authority to promulgate rules necessary to effectuate the purposes of this section.

D. No credit otherwise authorized by the provisions of this section may be claimed for any event, transaction, investment, expenditure or other act occurring on or after July 1, 2010, for which the credit would otherwise be allowable. The provisions of this subsection shall cease to be operative on July 1, 2012. Beginning July 1, 2012, the credit authorized by this section may be claimed for any event, transaction, investment, expenditure or other act occurring on or after July 1, 2012, according to the provisions of this section.

SECTION 2. This act shall become effective November 1, 2014.

Passed the Senate the 7th day of May, 2014.

Presiding Officer of the Senate

Passed the House of Representatives the 3rd day of April, 2014.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 8th
day of May, 20 14, at 2:00 o'clock P M.
By: Audrey Rockwell

Approved by the Governor of the State of Oklahoma this 13th
day of May, 20 14, at 3:30 o'clock P M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 13th
day of May, 20 14, at 4:07 o'clock P. M.
By: Chris Benge