

1 STATE OF OKLAHOMA

2 2nd Session of the 56th Legislature (2018)

3 HOUSE BILL 3225

By: Nollan

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5
6 AS INTRODUCED

7 An Act relating to public finance; defining terms;
8 imposing termination date for tax preferences and
9 incentives; providing for reauthorization by action
10 of the Legislature; specifying applicability of
11 provisions to existing and future tax preferences and
12 tax incentives; providing for codification; providing
13 an effective date; and declaring an emergency.

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

15 SECTION 1. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 46B of Title 62, unless there is
17 created a duplication in numbering, reads as follows:

18 A. As used in this section:

19 1. "Incentive" means a payment of cash or its equivalent by any
20 agency, board, commission, department or other entity organized
21 within the executive department of state government, which is not
22 made pursuant to a contract requiring the delivery of specific goods
23 or the performance of specific services by the counterparty to the
24 contract, to a for-profit business or other legal entity as an
inducement for the business enterprise to locate its operations or

1 some part of its operations within the state, to create or add jobs
2 as defined in the statutory authorization for the incentive, to make
3 expenditures for capital assets or other tangible or intangible
4 personal property as defined in the statutory authorization for the
5 incentive, or to perform some other action or incur some other
6 expense in order to qualify for the incentive payment; and

7 2. "Tax preference" means a tax credit, tax exemption, tax
8 deduction or direct cash payment to a for-profit business or other
9 legal entity, exclusive of a natural person or persons.

10 B. Any tax preference or incentive that has the effect of
11 reducing a state tax liability amount for a business enterprise or
12 other legal entity, exclusive of a natural person or persons, or
13 which provides for the payment of cash or its equivalent to the
14 business enterprise or other legal entity, that does not contain a
15 provision in the statute creating the tax preference or incentive to
16 terminate the ability to claim the credit or to receive the
17 incentive payment after a specified date shall be terminated by
18 operation of law for any event, transaction or occurrence that would
19 otherwise qualify a business or other legal entity for the credit or
20 incentive after December 31, 2021, unless the Legislature extends
21 the tax credit or incentive beyond such date.

22 C. The provisions of subsection B of this section shall be
23 applicable to tax preferences and tax incentives enacted prior to
24 and after the effective date of this act.

1 SECTION 2. This act shall become effective July 1, 2018.

2 SECTION 3. It being immediately necessary for the preservation
3 of the public peace, health or safety, an emergency is hereby
4 declared to exist, by reason whereof this act shall take effect and
5 be in full force from and after its passage and approval.

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